

Nine prepare to back US action against Iran

ine EEC members are likely to work out today of a plan to support President Carter's sanctions against Iran. The plan calls for diplomatic action and an end to oil purchases first place. If this fails to release the Iranian hostages from their student captors, economic sanctions would follow.

Two-stage plan by Lord Carrington

Michael Hornsby
April 21
Lord Carrington is moving towards a two-stage plan for a British-led European action against Iran. The plan calls for diplomatic action and an end to oil purchases first place. If this fails to release the Iranian hostages from their student captors, economic sanctions would follow.

Iranians should be given to respond to the first-stage measures, and the nature of the response would be determined by the first stage. The second stage would involve: reducing EEC embassy staffs in Tehran and/or recalling ambassadors; reducing the number of Iranian diplomats in EEC capitals; a formal ban on arms sales to Iran and on purchase of oil from Iran; the introduction of visas for Iranians visiting Europe and the introduction of service contracts. During this first phase the measures needed for the implementation of a trade embargo (with the exception of food and medical supplies) and for other economic sanctions, such as restrictions on loans and credits, would also be prepared. But their implementation would be delayed to give the Iranians time to respond to the first stage.



Graveyard meeting: Mrs Barbara Timm yesterday met Iranian women at the Beheshti-Zehra cemetery in Tehran where Iranian women who were killed in the revolution are buried. She was taken there by students before being reunited with her son, Marine sergeant Kevin Hermoning who, at 20, is the youngest of the hostages being held in the American embassy.

She spent about six hours in the embassy compound and although her husband, Sergeant Hermoning's stepfather, was also allowed in, it was not immediately clear if he also met him. The students occupying the embassy had said only Mrs Timm would be allowed to do so.

The reunion took place after President Bani-Sadr made a public plea for the visit to take place. Students contacted the couple from Oak Creek, Wisconsin, who arrived in Iran on Saturday in defiance of a ban by President Carter. Sergeant Hermoning was brought to a block of flats forming the northern wall of the compound, accompanied by two students. Then Mrs Timm was taken in, accompanied by two girls wearing the traditional Iranian black veil. Students said later that she spent only an hour with her son.

Student riots shake base of Khomeini rule

From Tony Alloway
Ayatollah Khomeini tonight demanded that leftist groups stop resisting an "Islamic purge" in the universities. After a day of heavy fighting around the central Tehran university campus, the Ayatollah said: "If some groups continue their resistance I will pronounce my last word on the subject. I hope the universities will be cleansed of all kinds of connection with the West or East."

There were many injured. Tonight is the deadline for a Revolutionary Council order that all groups must remove their offices from universities and higher education complexes. But the fighting at Tehran university today went much beyond that bringing into question the future of Iran's Government.

After two days of skirmishes around the central Tehran university campus, the Ayatollah said: "If some groups continue their resistance I will pronounce my last word on the subject. I hope the universities will be cleansed of all kinds of connection with the West or East."

Pishgami sports formed a human chain around their headquarters with an opening where high metal fencing along the university wall had been torn down. From here leftist youths re-stocked themselves with the rocks that formed the main battle weapon. In the afternoon the Revolutionary Guards, their cover of impartiality stripped, fired tear gas and volleys of machinegun fire in the air as cover.

BL stewards defeated as 14,000 go back

By Clifford Webb
Midlands Industrial Correspondent
Militant shop stewards at British Leyland suffered another crushing defeat yesterday when mass meetings of workers rejected their recommendations to stay on strike and voted overwhelmingly to return to work. By this morning nearly 14,000 of the 18,400 strikers will be back on duty.

The sudden collapse came after the Transport and General Workers' Union decision to withdraw official backing for the strike last Thursday against the draft peace terms with BL. It shows that the union's intervention on April 11 was the deciding factor in the strike's rapid worsening last week.

The great majority of these joining the strike after the first three days were clearly only displaying their loyalty to union policy. But the transport union is still smarting under what many of its officials and members consider to be the desertion of other unions in the face of determined action by Sir Michael Edwards, the BL chairman.

But that resentment has been increased by the statement of Mr. Mostyn Evans, TGVU general secretary, that his union would still support any members who rejected last Wednesday's peace settlement, which was drawn up by 11 manual unions and the management.



Lebanon war comes home to Ireland

From Robert Fisk
Middle East Correspondent
Galway, April 21
They placed Private Stephen Griffin's pale blue United Nations beret on top of his coffin, and it lay there in the pale sunshine outside St Joseph's Church this morning, the only visible reminder that the war in Lebanon could have its international repercussions even in the far west of Ireland.

The Irish Army had performed its own last rites, of course, bearing the dead man's body through the streets of Galway on a gun carriage and creating a dignified but ponderous departure that all armies choose for their soldiers.

Given the circumstances of Private Griffin's death, it was a remarkably mild ceremony. A collection of the dead man's belongings, including his First Field Engineer Company's one of St Paul's epistles about forgiveness, and a priest celebrating Mass asked the congregation to pray for the soldier serving the cause of peace in Lebanon. He added slowly: "Lord, help them and strengthen their great resolutions" although given the vague United Nations mandate these such resolutions must be difficult to define.

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Timmins
The naming six members of the Anti-Nazi League and the Police on the streets of London yesterday as "de-facto" and "an attempt to: course of justice" has been published by the Friends of Blair Initiative, and names the SPG at the time of the demonstration against the National Front and the end of which Blair, a New Zealand teacher,

£386m profit by Ford

Record sales and profit figures were announced by Ford, showing that the company remains the only highly profitable mass car manufacturer in Britain. Profits for 1979 soared by 60 per cent to £386m while sales were 35 per cent higher at £3,193m, the first time Ford has topped the £3,000m mark and reflecting record vehicle sales of 834,000 compared with a previous peak of 712,000 units. Lost production through industrial disputes dropped to only 1,050 working days in 1979 against an average of 31,000 days during the four years to 1978.

EEC undecided over British budget relief

The amount and duration of EEC financial relief to Britain has been left undecided after a meeting of European finance ministers. But it was agreed that a final solution should be a combination of extra EEC expenditure in Britain with a reimbursement. Sir Geoffrey Howe expressed confidence that the means of achieving a solution to the British budgetary problem had been established.

Two children killed

Two children were killed and 15 injured when a lorry was in collision with a school bus outside the Moston Brook High School in Manchester. Firemen cut free the injured from the wreckage, and eight children were detained in hospital, where one was reported critically ill.

Haitians flee drought

Starvation is forcing many Haitians to attempt illegal landings in Florida. Drought has ruined the pea crop which provides earnings for many people in the north-west of the island. They receive virtually no relief and look to the United States for job prospects and money for food.

Peer and MP in brothel

When police raided a London brothel they found 30 men, including a member of the House of Commons, an MP, accountants, solicitors and barristers—all mainly middle aged. A woman previously convicted for brothel-keeping was jailed for 18 months, fined £1,950 and ordered to pay £2,000 costs.

Bread prices to rise next week

Bread prices will rise next week by 2 1/2p for a large white loaf and 1 1/2p for a small loaf. Manufacturers blamed the increase on higher flour prices. The rise is the first this year.

Journalists quit Press Council

The National Union of Journalists decided at its annual conference to withdraw from the Press Council, the body it helped to set up to deal with complaints against newspapers by the public.

Lausanne: Ban sought on flags and national anthems at Olympic Games to "get rid of nationalistic spirit"

Afghanistan: A leader of the resistance movement is to visit Britain but his adviser and translator is refused a visa.

Classified advertisements: Personal, pages 27-28; Appointment, 25; Sale Room and Antiques, 26.

ings of the Government's defence policy, pages 11-12
Rugby Union: English league system. Cricket: New season under a cloud. Boxing: European heavyweight championship preview. Football: McDermott banned for one match; Tottenham's £3m stand.
Arts, page 13
John Russell Taylor, reviewing the work of Orchardson at the National Gallery of Scotland, investigates the character of the nineteenth-century Scottish artist; William Mann on Andre Previn's debut with the LPO; Paul Griffiths on contemporary music.
Obituary, page 16
Herr Helmut Kaunter, Professor H. Procter-Gregg.
Business News, pages 17-25
Stock markets: Gilt and oil were the main talking points in an otherwise dull market with the FT index falling 1.6 to 441.1.
Financial Editor: Industrial cash and the equity market; London.
Business features: Peter Hill discusses the reasons for the Japanese steel industry's success.

Mrs Thatcher hints at more union laws

By George Clark
Political Correspondent
Those Conservative backbenchers who were looking to the Prime Minister's speech in Birmingham last night for some indication that the Government was prepared to take legislative action to make strike balloting compulsory, were disappointed.

On the eve of the Commons debate on Conservative amendments to the Employment Bill which would provide for such balloting to be held if 15 per cent of the workforce demands it, Mrs Margaret Thatcher merely made a reference to the Government's work to redress the balance of power in industry.

"By the summer," she said, "the very wide legal immunities now available for picketing and blacking will have been narrowed. Our review of trade union immunities in general will continue, and if necessary we will legislate further."

The Government was also legislating to reduce social security benefits for strikers, she said, but she made no reference to the demand for compulsory balloting.

Mrs Thatcher concentrated more on the need for higher productivity and for management to give leadership by explaining their companies' position.

"So that each worker is aware of the consequences of his own actions."

"I know that many of you are happier doing, rather than talking," she told industrialists of the Birmingham Chamber of Industry and Commerce. "But if you do not speak out, you leave a vacuum to be filled by others only too happy to exploit it."

Government had a crucial role in creating the climate in which business could succeed. "But when we have got our part right, success or failure will still depend on how you perform in a competitive world," the Prime Minister emphasized.

"And here, the nub is productivity. Unless productivity improves substantially, nothing else will help, neither a reduction in Government expenditure, nor assistance of one sort or another, nor export credit, nor lower interest rates."

"Nor even a lower exchange rate, even if we were able to engineer it, which we are not. Productivity is 'nine points of the law' and our wage levels must be related to it."

She wondered just how many of those who worked in industry fully understood this. If not, Continued on page 2, col 7

Price stability is crucial, Bank Governor says

By David Blake
Economics Editor
A strong defence of the use of monetary policy to curb inflation came yesterday from the Governor of the Bank of England, Mr Gordon Richardson, told the House of Commons select committee on the Treasury and the Civil Service that a move back to price stability was "absolutely crucial". He added: "Nothing could lead to fast output better than to cut inflation."

President Tito 'in imminent danger'

Belgrade, April 21.—Messages expressing profound anxiety are pouring into Ljubljana hospital after the latest, and most ominous, bulletin on President Tito's condition.

The bulletin reports that the 67-year-old President's ailments are not responding to treatment and his life is in imminent danger.

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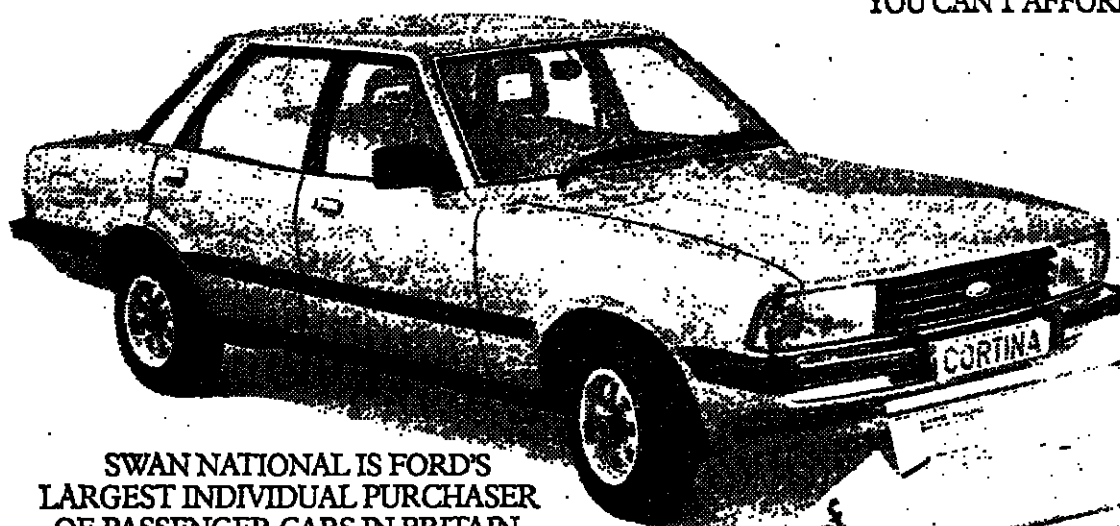


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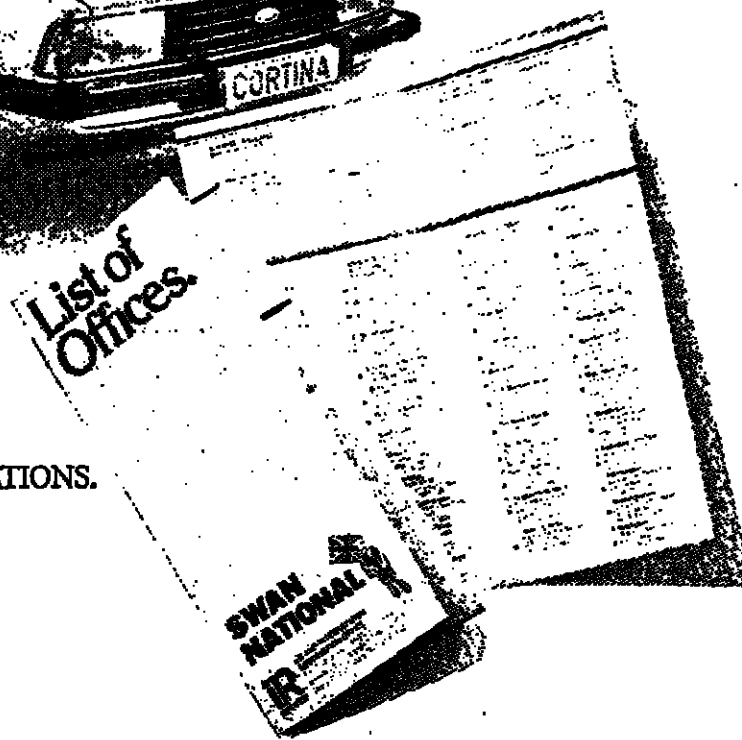
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SWAN NATIONAL



HOME NEWS

Racial discord seen by TUC as a reason for banning a march

By Paul Routledge
Labour Editor

Trade union leaders are to urge the Home Secretary to amend the Race Relations Act so that marches "likely to stir up racial hatred or intolerance" could be banned.

The proposal is made in a draft memorandum of evidence to Mr Whitelaw on public order and related issues to be considered by the TUC general council tomorrow.

The TUC argues: "A fundamental distinction exists between the banning of processions likely to foment racial discord and the banning of other marches under the 1936 Public Order Act. Bans against racist marches should be implemented through laws on racial discrimination and not through public order legislation."

The Race Relations Act prohibits the publication or distribution of written material which is likely to incite racial hatred; but it contains no powers to restrict or ban racist marches nor any power of arrest, and prosecutions under it require the consent of the Attorney General.

The TUC points out that the Public Order Act was intended to deal with the activities of fascist organizations, including the followers of Oswald Mosley, which were disrupting public order.

Accordingly, the unions advised the Home Secretary to issue guidance to police commissioners and chief constables that bans under section 3 of the 1936 Act should be targeted against fascist organizations which set out to provoke violence or to intimidate local communities.

The TUC also proposes that Mr Whitelaw should consider introducing a provision under the Race Relations Act allowing the police or local authorities, acting in consultation with each other and with the permis-

sion of the Home Secretary, to ban processions likely to stir up racial hatred.

Trade unionists have tried unsuccessfully over the past few years to get the Government to ban "provocative marches" by the National Front and other racist organizations which were designed to antagonize racial minorities and to incite racial hatred and prejudice.

"However, what has occurred in practice is that blanket bans have been issued (for example, Ilford and Leeds 1978) which have restricted all political marches including those against the National Front, or the police have decided not to issue bans despite pressure to do so (Leeds 1977)."

Turning to political activity governed by the Representation of the People Act, 1949, the TUC complains that the provision allowing schools to be hired for public meetings has been abused by the National Front, which held election meetings in schools in "sensitive racial areas", including Southall, but refused to allow the public to enter.

The TUC therefore proposes that the Home Secretary should issue guidance to the police concerning the policing of election meetings in "sensitive racial areas" which are indeed public, and suggests that the phrase "public meeting" in the 1949 Act should be statutorily defined so that any person may attend without restriction on entrance by ticket, invitation or any other means.

Union leaders are concerned about the "persistent efforts of racist groups to stir up racial discord". The TUC insists it is aware of the need to ensure freedom of speech, for which trade unionists have fought, but racist groups cannot be allowed to spread their pernicious doctrines and to create tension and fear among black and white citizens alike.

Union rights 'threatened' by McNee proposals

By Peter Evans
Home Affairs Correspondent

New powers sought by police organizations constituted the serious threat on customary trade union rights and traditional civil liberties in Britain, the TUC told MPs yesterday.

Its written evidence to the Select Committee on Home Affairs described as "dangerous" the stated intentions of Sir David McNee, the Metropolitan Police Commissioner, concerning picketing.

The TUC quotes a call by police organizations for powers to disperse assemblies of three or more people similar to those powers in section 24 of the Northern Ireland (Emergency Provisions) Act 1973.

Sir David had said in evidence "that the proposed new powers to deal with assemblies would include industrial picketing. These powers would not apply to industrial picketing of a lawful nature but 'logically' any form of assembly not protected by the trade disputes immunity should be controlled in the same way as other forms of demonstration and they would give the police far greater powers in dealing with massed picketing such as Grunwick."

The TUC said that three important conclusions could be drawn from that statement. First, he clearly stated that in his opinion the present trade union immunities, which were civil immunities, limited the ambit of the criminal law and the powers of the police in trade disputes.

Second, it followed that if and when the existing immunities were sharply curtailed by the Employment Bill, the Commissioner considered that the police powers would be correspondingly sharply increased in industrial disputes.

Third, the commission was pressing for new police powers to deal with assemblies and demonstrations.

The TUC added: "Although the Association of Chief Police Officers have recently stated to the Home Secretary that further police powers are not necessary, it is understood that the reason for this statement is that the proposed reductions in civil immunities will sharply reduce the extent of lawful picketing and therefore increase the discretion of police officers to control industrial picketing."

The TUC acknowledged that the police often had extremely difficult tasks to perform. Mr Alan Sapper, general secretary of the Association of Cinematograph, Television and Allied Technicians, told the committee: "If police are used as a confrontational force—this has happened with the special patrol group and police have broken up peaceful assemblies of people in a brutal manner—then the atmosphere worsens considerably."

"When police are occupying the role of peaceful policing I do not think they endanger civil liberties. If thousands of police are used to ensure their presence is known then that often causes action they are there to see does not happen."

Whitehall brief: White Paper's one sentence on replacement of deterrent criticized

Mr Pym could make up for Mr Pattie's Polaris brevity

By Peter Hennessy

In the Commons debate on the 1979 defence White Paper, Mr Geoffrey Pattie, Conservative MP for Chertsey and Walton, was biting in his comparison of the inadequacy of the British document against its American counterpart which, he said, recognized "that problems and issues exist, and that the public might just have a right to know about these matters, bearing in mind that they pay for the bills."

Fate and Mrs Margaret Thatcher subsequently placed Mr Pattie in a position to turn brave words into action. As Parliamentary Under-Secretary for the Air Force, he chaired the editorial board responsible for the presentation of the 1980 defence White Paper. To his credit, when it emerged earlier this month, it turned out to be certainly the fullest and possibly the frankest document of its kind ever published by the Ministry of Defence.

Mr Pattie's achievement won high praise during a seminar held last week at the International Institute of Strategic Studies, in Covent Garden, London. Mr Pattie and a Civil Service team were present to hear the views of non-Whitehall analysts and commentators on the White Paper's assumptions and contents.

Once the well-deserved plaudits had died down, however, several participants regretted in the strongest terms that the

document had restricted discussion of the greatest single defence decision facing the Thatcher administration—the replacement of the Polaris submarine nuclear deterrent in the 1990s—to a single sentence. Why, the ministry team was asked, could not the admirable Green Paper, or discussion document, approach that it applied in the White Paper to the issue of service women carrying firearms, have been adopted for an issue of unique importance?

The options, it was said, had been admirably displayed three years ago in a Royal Institute of International Affairs document by Mr Ian Smart. Could not the White Paper, without committing the Government, have discussed the choices available and their likely cost in a way that would have allowed the Commons Select Committee on Defence and the interested public to have conducted a genuine debate before Mr Francis Pym, Secretary of State for Defence, rises at the despatch box to tell the world that we shall need the Trident missile and five, rather than four, new submarines to carry the British nuclear deterrent into the twenty-first century at a cost of between £4,000m and £5,000m?

The ministry could still live up to the hopes of its largely sympathetic critics at last week's seminar, if Mr Pym delayed announcing his decision until the autumn and

released, in the near future, a Green Paper on the Polaris successor. The document could be published within a month. All the groundwork has been done.

The ministry has been actively considering the subject for eight years since Professor Sir Hermann Bondi, then its Chief Scientific Adviser, chaired a working party in 1972-73. What might Mr Pym put in the Green Paper apart from the possible choices of launch and delivery systems?

Firstly, he would need a supporting document to explain why the Government believes a third-generation British nuclear deterrent is necessary at all. Mr Michael Quinlan, deputy secretary (policy) at the Ministry of Defence, Whitehall's exceptionally sharp "high priest" of deterrence (he is known as the "Ministry's Jesuit"), prepared a paper on deterrence theory for the Treasury's Defence Materiel Division during the administration of Mr James Callaghan when the argument over money for a new system first began. Mr Pym could publish that paper without jeopardizing national security.

A second paper, on the technical options, prepared by a committee under Professor Ronald Mason, the scientific adviser, would need to have certain genuinely sensitive sections removed before publication. But Mr Pym could use



Mr Michael Quinlan, known as "the ministry's Jesuit".

part of it to explain why the Government felt an expensive, submarine-launched, intercontinental ballistic missile system was the only feasible deterrent rather than a cheaper system based on the cruise missile or continuing with Polaris missiles carried in new boats.

Finally, the Green Paper could include a chapter on the place of the British deterrent in the north Atlantic alliance. One could not expect Mr Pym to talk publicly about all aspects of the national

sovereignty side of the debate in particular the root input behind the deterrent: can really believe in an indefinite and unqualified United States commitment to the defence of Europe? It is not just too dangerous to leave the French the sole strategic nuclear power among the European powers. But large strides towards truth, as the Government see it, could be taken short that.

The Ministry of Defence among a tiny group of departments where the spirit openness has not disappeared under Mrs Thatcher's high secretiveness (although high secretiveness is a necessary condition for the deterrent). Green Paper on the deterrent would improve its reputation, from Mr Pym's point of view, as an expenditure of £5,000m in the present economic climate could very well be ended by a Labour Government returning to office in mid or late 1980s.

If he really believes a deterrent is indispensable to a country, he should explain himself to the public in order to carry them with him and reduce the chances of a Polaris replacement project suffering a short end and under a future Labour government.

The Future of the British Nuclear Deterrent: Technicians' Economic and Strategic Issues, Ian Smart, RIA, Chichester, 10 St James's Square, London SW1 4LE, 24.

Hostels fire safety grant raised from £500 to £5,000

By a Staff Reporter

The Government is to increase from £500 to £5,000 the maximum amount of grant to be made available under the Housing Bill to hostels for installing fire precautions.

The move comes after the fire at the Missionaries of Charity hostel, Kilburn, last month in which nine women died.

The £500 grant limit was only introduced into the Bill after pressure from groups representing the homeless. Since then there has been strong criticism from the Campaign for Single Homeless People, for the grant to be increased.

The report of Brent Council's inquiry into the fire also urged that the amount of grant should bear "some resemblance to the cost of the works".

The move was announced by Geoffrey Finsberg, parliamentary secretary of state at the Department of the Environment, in a written reply to Mr Charles Irvine, Conservative MP for Cheltenham.

The percentage rate at which the grant will be paid will not, however, be decided until the Bill becomes law later this year. Mr Finsberg said he hoped the change would give an incentive to landlords to provide fire escapes and would encourage housing authorities to use their statutory powers.

The announcement was welcomed by the campaign but the charity said that the percentage contribution the grant made towards the cost of the works would have to be set at the upper limit, if it was to provide a real incentive to improve fire precautions. The percentage rate payable for house renovation grants ranges from 50 to 75 per cent.

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There were also other examples of the security industry's response to the violent side of crime. The latest bomb disposal suit includes a "trauma-attenuation pack" to give protection against bullets. A clipboard designed with the help of British police forces doubles as an armoured shield.

Another company offers a range of bullet-proof body armour, including the executive style, a slightly bulky waistcoat.

To cope with electronic assaults, one exhibitor offers a range of gadgets claimed to protect the purchaser against burgling and telephone tapping. For £12,000 the company has available two briefcases of equipment capable of first detecting hidden microphones

Security companies show how to make a thief wish he had not bothered to call

By Stewart Teadler
Crime Reporter

Working on the premise that if you cannot always stop a thief you can at least make him wish he had not bothered, the security industry yesterday unleashed a cacophony of screeches, wails, and shrieks at Olympia, in London, to demonstrate the latest intruder alarms and sirens.

On the opening day of the International Fire, Security, and Safety Exhibition and Conference, the exhibition centre sounded like an electronic rain forest. Four hundred and fifty exhibitors, the largest entry in the exhibition's eight years, were on hand to offer items such as armoured-plated helicopter seats and veterinary aid oxygen kits for horses.

A 17-year-old Royal Horse Artillery charger was on hand to demonstrate the effectiveness of the latter item.

One company was exhibiting an example of the Army's "wheelbarrow", the robot developed for dismantling bombs in Northern Ireland. It says something about how long the province's troubles have gone on that the apparatus has reached a Mark VII version.

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Lighthouse threatened: The inshore light of a pair of Victorian leading lights off Dovercourt, Essex, the future of which is in doubt. Both the inshore and seaward lights are listed buildings but they cannot be restored for at least a year because of lack of finance.

Plant law may allow in diseased imports

By Hugh Clayton

New import laws will leave loopholes which could enable plant pests and diseases to enter Britain for the first time.

Orders laid before Parliament yesterday will ban the import of some plant materials and require others to be covered by health certificates, but limited imports by private individuals will be allowed without restriction.

The Ministry of Agriculture, Fisheries and Food said yesterday that the new plant material was a potential carrier of pests or diseases, and appealed to travellers not to bring any such materials into Britain although they were allowed.

Mention of Dutch Elm disease, which came from North America, is sufficient to make the point, the ministry said. "One potato carrying ring rot and planted in this country could set off the disease."

The orders, which bring British law into line with EEC

harmonization rules, will allow government inspectors to destroy plants which they believe threaten British crops. The orders list prohibited pests like oak timber worm and Mediterranean fruit fly.

Limited personal imports from Europe and countries bordering the Mediterranean will be allowed without restriction, however. The ministry said that a pineapple bought in Africa would not be allowed to enter Britain, but an African pineapple bought in Europe would.

Ministry officials justified the concession by saying that no new diseases or pest attacks in Britain had been traced to returning travellers. Moreover, the goods covered by the concession had strict plant health rules.

The best-known imported pest is the Colorado beetle which can destroy potato crops. No private import of miniature or seedling trees will be allowed under the new laws.

Boy denies killing girl who was stamped to death

From Our Correspondent
Winchester

Kelli Thomas, aged six, was stamped to death while picking blackberries. She was attacked 100 yards from her home in Havant, Hampshire, by a boy aged 13 it was alleged yesterday.

First, he throttled her, then stamped on her throat and crushed her chest by kneeling on her. Mr Ian Kennedy, QC, for the prosecution, said at Winchester Crown Court.

The boy denies murdering the girl. Mr Justice Wain, the judge, ordered that his identity should not be published at this stage.

The court heard that Kelli Thomas died last October in a small bramble copse in the middle of a housing estate in West Leigh.

Her body was hidden under a board and then covered by overgrowth. It went unnoticed for hours as police and neighbours searched the area. A police trawler dog eventually found the child.

Mr Kennedy said: "The attack that was launched on this girl was prolonged and serious. And there is no doubt as to all that whoever killed the child knew perfectly well that what they had done was wrong."

The case was adjourned.

Town's lack of jobs for young reaches 'crisis'

From Arthur Osman
Telford

The prospects of unemployment for young people in the third generation new town of Telford, Shropshire, were so great as to constitute a crisis, it was said yesterday.

The town's association said that other new towns in the same category, such as Peterborough, Northampton and Warrington, employment was far better and at Milton Keynes it was exceptionally good.

Figures which were published confidentially some weeks ago and which will be given to Shropshire County Council this week, show that only nine of the 139 areas in the Department of Employment's monthly review show a higher rate of unemployment than Telford. A report said: "Telford can be compared with some of the most depressed areas in the United Kingdom."

The level of unemployment was one and a half times the national average and would probably reach 12 per cent before the end of this year, the report said. The figures

masked the even deeper problem of young people bearing disproportionate share of burden of unemployment at their relative position was deteriorating.

Telford has a working population of 49,415 of whom 6.9 are estimated to be aged under 19. A comparison with nation figures last year disclosed that the town's unemployment rate was 19.4 per cent, compared with 13.9 per cent of unemployed men and 28.9 per cent of unemployed women were under the age of 19, but in Telford the figures were 30 per cent and 41 per cent respectively. Those figures were alarmingly high and appear to be growing, it was said.

The report continued: "Other worrying factors are beginning to emerge. The prospect of this year's school leavers a year to be affected by 2,000 redundancies notified last year. Telford can be compared with some of the most depressed areas in the United Kingdom."

The level of unemployment was one and a half times the national average and would probably reach 12 per cent before the end of this year, the report said. The figures

Action ruled out over Tory MP's expenses

The Director of Public Prosecutions has decided that no further action should be taken after an investigation into allegations over the expenses incurred by Mr Robert Hicks, Conservative MP, in retaining the Bodmin seat in Cornwall in the general election last May.

A police inquiry was started after a dossier was handed by the liberal agent in the constituency. It included allegations that Mr Hicks's election expenses were over the legal limit.

A report was sent to the director by Det. Chief Inspector Brian Farthing. Mr Farthing said yesterday the report had been returned with instructions that no further action should be taken.

Mrs Thatcher to attend Cup Final

For the first time in a number of years, the leader of the party will not address this year's Final Saturday rally of the Scottish Conservative Conference.

Mrs Thatcher will speak on the Friday night.

It was stated in Edinburgh that she would attend the FA Cup Final at Wembley on the Saturday. The conference is to be held in Perth from May 8 to 10.

Canvey Island safety inquiry to be reopened

From Our Correspondent
Canvey Island

The risks facing Canvey Island will be disclosed at an inquiry over an oil refinery there later this year.

A preliminary briefing was held on the island yesterday by General Sir Richard Watling, the inspector, who will preside at the full hearing which opens on June 5.

Lawyers who will present a case for the revocation of planning permission for an Italian refinery on the island at those who will press for permission to continue describing yesterday's briefing as exceptional.

The original hearing, which began five years ago, has been reopened to consider the implications of a Health and Safety Executive report on the island. Sir Bernard Braine, Conservative MP for Essex, South East, who has campaigned for years concerning the danger from industries in the area, took part in the briefing.

Steering lock causes stolen car to crash

Mr David Short, of Mauric Road, St Andrews, Bristol, said his car stolen outside the FA Cup Final at Wembley on the Saturday. The thief could not remove the lock from the steering wheel and the car could move on a straight line.

HOUSE & GARDEN

See the magnificent colour features on new kitchens and bedrooms

HOME NEWS

More consultant posts needed to provide better prospects for junior doctors, Mr Jenkin says

Annabel Ferriman, a Services Correspondent, said that junior doctors should have more prospects for staff, Mr Jenkin, Secretary of the Royal Society of Medicine, said today.

Jenkin said in an exclusive interview with *The Times* that he did not think that the medical schools were doing too many doctors as claimed by the British Association of Medical Officers. He thought the expansion of 4,500 by 1990 was the right one.

A number of doctors coming overseas was likely to be a problem, he said, because countries like the United States were trying to keep their graduates and soon would not be the "yawn."

for the profession itself to consider. It is a question of waiting until the climate is right."

Although creating more consultant posts would involve some extra expenditure, doctors' salaries was only a small proportion of the total spending on the health service and some senior registrars now earned more than consultants with overtime payments, so the extra expense would not be great.

Mr Jenkin gave a warning that there was no extra money available for the paramedical staff who went on strike for 24 hours last Friday.

Lord Kagan's son committed for trial

Our Correspondent

Kagan's son is alleged to have paid more than £100,000 to a textile firm in Switzerland without a licence, and the accusation was made yesterday in charges under the Control of Exchanges Act.

Kagan was named on the indictment at Leeds Assizes Court on similar charges. But the prosecution alleged exchange breaches were not part

of the extradition proceedings being taken against Lord Kagan who is in Paris.

Yesterday Mr Kagan, aged 28, of Barkisland Hall, Barkisland, West Yorkshire, was committed for trial at Leeds Crown Court.

He is accused of four charges of stealing a total of 239 drums of industrial powder, nine charges under the Exchange Control Act involving a total of £360,000 (£163,412), and three charges of false accounting.

Mr Raymond Kennedy, aged 53, a company secretary of Wedgwood Drive, Roundhay,

Peer and MP caught by police in a brothel

When police raided a brothel they found more than 50 men, including a member of the House of Lords, a member of Parliament, accountants, solicitors, barristers and businessmen, it was stated at Inner London Crown Court yesterday.

Cynthia Payne, aged 46, pleaded guilty to exercising control over three prostitutes and keeping a disorderly house at Ambleside Avenue, Streatham.

She pleaded not guilty to further counts of exercising control over prostitutes. Her pleas were accepted by the prosecution.

Judge David West-Russell said that he did not accept that Miss Payne was unfamiliar with the law because she had appeared in court on four occasions for running a brothel.

Miss Payne was sentenced to 18 months' imprisonment for keeping a brothel and fined a total of £1,950 on the three counts of exercising control.

She was also ordered to pay costs up to £2,000 because the judge said she saw no reason why the public should have to pay for the police time involved.

Mr Donald Farquharson, QC, for the prosecution, said that police watched the house in Ambleside Avenue during October, November and December, 1978.

They raided the premises on December 6 and found films and obscene matter which the police suggested were used as bait.



The house in Ambleside Avenue, Streatham, that was used as a brothel.

Some women were naked. Others were scantily dressed. Drinks and food were available in a conservatory.

Each person paid £25 to go to the party. A ticket was given in the form of a luncheon voucher. The men then sought partners. The girls were paid £8 for each ticket surrendered to Miss Payne.

On the day the police went there a party was being held. The police found 53 men and 43 prostitutes. They had seen an obscene film and were queuing on the stairs to go to the bedrooms.

ES60. Films were found in tins and cupboards.

Supp. Terence Powell said that Miss Payne had two previous convictions for keeping a brothel, in 1965 and 1974.

Arts Council warning over theatre subsidies

By Kenneth Gosling
Arts Reporter

Mr John Faulkner, drama director of the Arts Council, has written to subsidised theatre companies throughout the country warning them that payments will be withdrawn unless they keep up with their paperwork.

That includes weekly and monthly box-office returns, duplicated copies of notices of meetings, agendas and minutes, advance information about productions and press conferences, and copies of leaflets and programmes.

One theatre administrator said yesterday: "This is the first time sanctions have been threatened. We exist to run theatres, not to churn out statistics. All the local authorities who support us need the audited accounts and this should do for the Arts Council, plus, of course, notification of any coproductions that we undertake."

Mr Faulkner's letter to administrators says that of more than 100 companies supported by the council fewer than a dozen have consistently complied with all the requirements throughout the past year.

"If this problem persists in the coming financial year, the council will not make payments to companies which fail in substantial ways to comply with these conditions."

Light for access to files not secret with 10-year closure orders

Scottish Office has been

by accusations that it is records in bureau.

Secretary, Sir William Permanent Under-Secretary and head of the

Office in Scotland, has to an article in *The*

which said the

Office wrapped any

that looked touchy or

especially political, with a 100-

sure.

etter to the newspaper,

am said the rules about

including the special

nents for research

applied to Scottish

records as they did to

of Whitehall depart-

I know of no instances

under these arrange-

any Scottish Office

emains closed where a

the same kind from

government department

to the public," he wrote.

we were he wanted to

our them and he was

to encourage the use of

ish Record Office by

workers.

availability of public

has become a sensitive

he feeling is generally

that access is important

ernment accountability

open scrutiny of action

by civil powers. The

Regional report

Ronald Faux Edinburgh

and those containing material about national security. A 75-year closure covered files with personal details, for example the files of individual prisoners which could cause distress. The 50-year wrap was the normal period applied where earlier disclosure could cause distress or embarrassment.

Over the past 15 years the Scottish Office has dealt with 70 applications for access to closed files. More than 90 per cent of requests were granted but in about 5 per cent access to certain files was refused. It is of course that small proportion that is most delicate and controversial.

Many papers in the Scottish Record Office carrying a 100-year closure have intriguing titles. The *Home and Health* index volume 53 lists a file containing "Police action against Scottish nationalist organisations: reports by various police forces; details of postal and telegraphic censorship." The file is not due to be opened until 2041.

The Scottish Office often consults Whitehall when difficult questions arise over opening closed files. The feeling is that a recommendation from the Public Records Committee to introduce law for the whole of the United Kingdom would not be resisted in Scotland.

But are the present regulations frustrating a full and accurate account of Scottish history? The Scottish Record Office contains a mile and a half of information in 123,750 files. Last year only 11,000 were produced on request by research workers, which shows a lamentable level of interest.

There is, the Scottish Record Office says, a rich wealth of material readily available and untrapped, but if you want to know about the forced feeding of suffragettes in Dundee, the pro-Boer meetings at the turn of the century or the stationing of cavalry and artillery in Lanarkshire during the coal strike of 1887, apply first to the Scottish Office.

Prisoner saw youth kill with axe, jury told

Our Correspondent

with accused of murder-

young policeman with a

on a double-edged bill-

alleged yesterday to

id later: "I suppose I

like for killing a police-

it had been an ordinary

I would have got only a

us."

omment was said to have

made by David Octavius

aged 19, shortly before

PC Kellam had discovered

Mr James using the billhook to smash his way into St James's churchyard.

Mr Arthur Worsfold, a pensioner, who was in his home near the church, saw two men running from the shop towards the church, and one of them caught up with the other by the vestry door.

"There was a clash, a torch fell to the ground, and two or three seconds later, doubtless, a blow with the billhook was struck," Mr James said.

Mr James was seen running away through the churchyard by Mr Benjamin Grainger and his wife, Eva, who were walking home through the churchyard.

Mr Grainger had spotted Mr James sheltering from the rain in a shop doorway on their way to the church an hour earlier, Mr Back said.

He was asked to describe Mr James with considerable accuracy, adding that he was wearing blue and red clothing.

Mr James, of West Ashton Road, Trowbridge, was seen at his home within two hours of the murder and the police found that he had been wearing a blue and red cardigan, which was still damp.

Prudential profile No.2: Kenneth Fleet reporting



Allen Sey (left), a Prudential Agent, talks insurance with policyholder Robert Barclay, on his farm in Ayrshire, with Kenneth Fleet (right), leading financial journalist and City Editor of the *Sunday Express*.

"The Prudential has strong support at the grass roots. I find out why."

Local representation has always been one of the Prudential's strengths. The Company has as many as 460 District Managers with over 11,000 staff - the men and women from the 'Pru' who keep in daily contact with people in their district. Kenneth Fleet visited a typical Prudential country 'parish' in Scotland to join a Prudential agent on his rounds of the local farming community.

Kenneth Fleet: When did you begin to think about insurance Robert?

Robert Barclay: (farmer) When I was a boy my father took out insurance for me. When I got married, and started a family I took out more.

Fleet: I imagine there are several types of insurance which a farmer finds necessary for his farm and for his work?

Barclay: The main one is fire and storm damage cover. With farming nowadays mechanical accident risks have increased. Also accidents to visitors - like yourself.

Fleet: Although you're still a young man do you think about a pension?

Barclay: The earlier you get started the better as far as these things go. My father was a bit older before he took out a pension policy and he's paying a far bigger premium than if you start young.

Fleet: Tell me, Allen, how your connection with Mr. Barclay has developed.

Allen Sey: (Prudential Agent) It's developed greatly since I took over nine years ago, in part due to inflation. The Barclays felt that if the farm was to keep in step with inflation they would have to increase their policies accordingly.

Fleet: Do you offer the whole range of insurance to a farmer like Mr. Barclay?

Sey: We're geared for all sorts of policies. One policy which is a great attraction to a farmer like Robert, deals with capital transfer tax. A Prudential policy enables proceeds on the death of his father to be paid to Robert free of tax, as a capital sum. Capital transfer tax is one of the farmer's biggest concerns nowadays.

Fleet: Do you call regularly?

Sey: I come out once a quarter to collect life insurance premiums and of course I also call yearly to review the house and farm insurance.

Fleet: Robert, do you see Allen as somebody trying always to sell you an insurance policy, or do you see him more as a friend and adviser?

Barclay: Oh more as a friend. He's not ramming it down your throat all the time.

Fleet: Is he good at settling claims?

Barclay: Pretty good. Two recent claims were dealt with fairly efficiently. The porch in front of the house blew down in a storm.

Barclay: Aye. Fleet: Allen, how big is your area?

Sey: About 33 square miles, consisting of mainly farming community.

Fleet: Do they rely on you for all their insurance?

Sey: I have probably more farm calls than 80% of my competitors and therefore I concentrate more on that side of the business.

Fleet: Apart from the merits of the actual policy you sell, what is the most important thing that makes you so successful in your job?

Sey: The service the Prudential gives to its client. If there's a claim, Mr. Barclay picks up the phone and I'm up there probably the same day. I assist him generally in filling in the claim forms whereas many insurance offices leave the policyholder to fill it in himself. With us you're not just a number.

The Prudential's annual report is now available from the Publicity Department, Prudential Assurance Company Limited, 142 Holborn Bars, London EC1N 2NH.

Prudential
You don't know the half of it.

HOME NEWS

Local elections: Yorkshire Liberals confident

Conservatives and Labour fight over impact of cuts on region

By Ronald Kershaw
It is confidence in the keystone of success, the Yorkshire region is moving towards some fascinating fights in the city and district council elections on May 1. All three main parties are convinced that they are a winner, and that surprise, if not shocks, will emerge on May 2.

Election campaigns have not yet begun upon ratemakers, but sufficient forward planning has been carried out to let it be known that both Labour and Conservative candidates will fight the election on national issues and their undoubted impact on the regions, while the Liberals will concentrate on domestic issues dictated at local level.

Mr Harold Sims, Yorkshire regional organizer of the Labour Party, said quite flatly: "In South Yorkshire there will be no change. Labour will retain control of Sheffield, Doncaster, Rotherham and Barnsley."

No one seems particularly keen to argue heatedly with that view except, perhaps, Mr Stephen Whitehead, the regional organizer for the Conservatives, who suggested that for the first time in memory a couple of Labour seats in the Tickhill and Rotherham wards of Doncaster might fall to the Liberals. There had been considerable Liberal activity in the Doncaster area, he said.

Mr Sims admitted that West Yorkshire, which comprises Leeds, Bradford, Calderdale, Kirkstall and Wakefield councils, looked like being the most interesting of fights.

Of those, Leeds City looks particularly intriguing. The council membership comprises 44 Labour, 44 Conservative and eight Liberal members. Bound-

ary changes have increased the number of marginal wards and the whole of the council will have to seek reelection instead of the usual one-third. An additional ward makes a total of 99 seats, three in each ward.

Labour supporters are supremely confident that they will take control of Leeds, but the marginal nature of some of the redrawn wards makes the Liberals equally confident. "We are yielding 93 candidates in Leeds and we are looking for a large number of gains," Mr Whitehead said.

He was confident that throughout the region the Liberal base vote would increase. "Since the General Election, the indications have been that we shall make substantial progress, particularly in Leeds, York and Sheffield," he said.

The Labour Party is looking for advances in Bradford, where Mr Sims said: "If the swing is big enough we shall take control." The same could apply in Calderdale where there is a new ward and membership of the council will increase from 51 to 54.

The present constitution of Calderdale Council is 26 Conservatives, 13 Labour and seven Liberals. There are 20 Conservative candidates, 21 Labour, 16 Liberals and one each from the Ecology Party, the Communist Party and the National Front.

There are three UDI candidates at Kirkstall (Unit for Development and Independence) seeking a severing of ties from Leeds and restoring the old Dewsbury Corporation's former independence.

At York, the Conservatives are fairly confident of retain-

ing control. They have 23 seats, Labour has 13 and the Liberals nine. Here again the Liberals are looking for an advance. Wakefield is Labour controlled and the indications are that it will remain so, according to Mr Sims.

The alleged inequities of the Government will form the main plank of the Labour Party's platform throughout the region. Mr Sims said that cuts in local government expenditure, particularly those in education which had meant increased costs of school meals, school travel and the like, would weigh heavily with many parents.

The actions of the Government and the effect of its measures on the man in the street are upheld by the Conservatives as a reason for not winning. Conservative supporters point out: "The people who are most vociferous against the cuts are those people who are in receipt of the money."

Mr Eric Ward, Conservative Central Office agent for Yorkshire, said: "We are pleased with our early canvass returns. People were casting in on a Budget and found that they were not as painful as they expected. Although they do not come under a Conservative label, ratemakers' candidates at Barnsley are casting in on a Budget and found that they were not as painful as they expected."

Barney Ratemakers' Association for the time being has a determined effort to gain control of the council, contesting 18 of the 22 seats. It holds 18 of the council's 60 seats and will defend six of those.

The region accounted for 11.3 per cent of the United Kingdom's gross national product and its industries contributed to a massive scale to the nation's exports. Their textiles contributed £7,700 million to the Government's revenue.

The region's greater potential was to launch an attack on the region's economic ills. It was a wonder that the industrial and commercial heart of the region had not broken before now. The Government's actions over the past 11 months have been the cause of the region's economic ills.

Almost everything that people in the region had worked for in the past 11 months has been eroded so that the Government could indulge in free marketism and transfer of wealth to pay the industrialists.

The Prime Minister and her Government were playing a dangerous game. It would receive the curse of the region's people who would vote against the reckless folly being perpetrated against them.

The Prime Minister had recently said it would be foolish to change the treatment and everyone felt ill after a major operation.

On May 1 (he said) the message will be quite clear. The north-west is the wrong hospital, and above all it is the wrong doctor.

Sir Walter Clegg (North Fylde, C) said the Government's policy of enterprise zones was doing more harm than good. He said the Government was pouring in state money, subsidy upon subsidy, to encourage the industrialists.

What Mr Clegg required was not more money. Private industry had never been able to fulfil the needs and requirements of the Government. The Government came forward and reversed the present trend, the impact on Merseyside would be grievous and the industrialists would be in a state of resistance.

Mr Elaine Kellott-Brown (Lancaster, C) said that if MPs wanted industry to go to the north-west the last thing they should do was to encourage the industrialists. There was no disputing that for many years the north-west had started of resources compared with the more prosperous south-east.

Many firms were still adversely affected by unfair American imports and the close monitoring of these imports was essential. The loss of assisted area status meant the improvement of derelict land was in danger.

Mr Tom Arnold (Basset Grove, C) said that the north-west was not doing well. He said the north-west was not doing well. He said the north-west was not doing well.

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Industry in the north-west looked to the Government for a more positive policy than the present extended to the textile industry. Mr Frank White (Bury and Radcliffe, Lab) said when he allowed a debate on the problems of the textile industry.

He said the region had some of the finest natural resources and was rightly viewed as one of the centres of the industrial revolution. He said the region had some of the finest natural resources and was rightly viewed as one of the centres of the industrial revolution.

The regeneration of the industrial base of the region should be the highest priority. Other industries required a high degree of investment that would not be forthcoming from the private sector.

Their needs could not be fobbed off with some Conservative Central Office clichés of restoring investment, regeneration, white-collar jobs and other such platitudes.

Every Conservative Party ought to talk to the sharp end of industry and ask the salesmen and marketers. People were casting in on a Budget and found that they were not as painful as they expected.

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PARLIAMENT, April 21, 1980

Loan from European Bank could help firms in north-west

House of Commons

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Revolution at the microcosmic level of the North West was expressed by Mr Michael Aislin, Minister of State for Northern Ireland, in a statement.

It was a callous attack, he said, which put at risk the lives and health of ordinary members of the public. Intensive police investigations into the outrage were continuing.

Mr Brynmor Jones, Opposition spokesman on Northern Ireland (South, Lab), said it was disturbing that the attack was launched from a by no means inconspicuous vehicle by what I understand was a civilian driver. He asked how long it was parked at this site?

Does he accept there is a case for either preventing parking within a certain distance of police stations or for further checks by the police to prevent vehicles being parked in such a perimeter so as to stop a repetition of this incident?

Mr Aislin—I cannot give information on the time the lorry was parked at the site from which the damage was done. It is part of the investigation being conducted by the police. It was parked some distance away from the target with intervening buildings screening it.

Investigation of suspicious parked vehicles is part of the regular security forces' duties. Whether in this case routine

Mr John Lee (Nelson and Colne, South, Lab) said that there was a case for more effective action against dumping of foreign textiles. Perhaps trade ministers could be prepared to allow the textile industry to second hand employees to the anti-dumping unit.

The Government should take advantage of public sector buying power to buy British textiles. Above all, they needed lower interest rates.

Mr Arthur Davidson (Accrington, Lab) said the quality of life in his area was being eroded. The cuts in public services were making it difficult to live in the area. There were less facilities for a sports centre, or there were less home help services. There were less facilities for a sports centre, or there were less home help services.

Mr Robert Aldridge (Preston, North, C) said the attitude of the north-west was one of resignation. He said the north-west was one of resignation. He said the north-west was one of resignation.

Mr Tom McNulty (Stockport, South, Lab) said small business men who voted Conservative did not imagine there would be a more than doubled rate of inflation, a quarter of the level of the 1970s, for a unique period of time, and increased VAT. A government could rarely have escaped such business confidence.

Mr Michael Meacher (Oldham, West, Lab) said that to preserve the more selective and discriminatory approach the Government should consider the possibility of industry-based rather than a purely area-based criterion for assistance. That would have the considerable merit of concentrating aid on the textile industry.

Mr Anthony Steen (Liverpool, Wavertree, C) said the uncertainty of whether the Government was going to intervene was making it difficult for the small firm to take informed decisions. It was the absence of dependable information as to how local government was going to move forward which was preventing the small firm from investing and the major financial institutions from making decisions prepared to fund risk capital. There had to be intervention to free the controls and enable firms to move forward.

Mr Charles Morris, for the Opposition (Manchester, Openshaw, Lab), said they had seen the declaration of the Lancashire textile industry. He said the industry had remained out of the 325,000 originally employed in the industry. The plight of the industry had been critical. He said the industry had remained out of the 325,000 originally employed in the industry.

The Government should consider setting up a development agency for the north-west which would act as a focal point for inward investment and generate the capital essential for industrial expansion.

He wanted tougher action on the part of the Government. He wanted tougher action on the part of the Government. He wanted tougher action on the part of the Government.

Mr David Mitchell, Under Secretary for Industry (Basingstoke, C) said the Government was not doing well. He said the Government was not doing well. He said the Government was not doing well.

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Industry in the north-west looked to the Government for a more positive policy than the present extended to the textile industry. Mr Frank White (Bury and Radcliffe, Lab) said when he allowed a debate on the problems of the textile industry.

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Their needs could not be fobbed off with some Conservative Central Office clichés of restoring investment, regeneration, white-collar jobs and other such platitudes.

Every Conservative Party ought to talk to the sharp end of industry and ask the salesmen and marketers. People were casting in on a Budget and found that they were not as painful as they expected.

Although they do not come under a Conservative label, ratemakers' candidates at Barnsley are casting in on a Budget and found that they were not as painful as they expected.

Barney Ratemakers' Association for the time being has a determined effort to gain control of the council, contesting 18 of the 22 seats. It holds 18 of the council's 60 seats and will defend six of those.

The region accounted for 11.3 per cent of the United Kingdom's gross national product and its industries contributed to a massive scale to the nation's exports. Their textiles contributed £7,700 million to the Government's revenue.

The region's greater potential was to launch an attack on the region's economic ills. It was a wonder that the industrial and commercial heart of the region had not broken before now. The Government's actions over the past 11 months have been the cause of the region's economic ills.

Almost everything that people in the region had worked for in the past 11 months has been eroded so that the Government could indulge in free marketism and transfer of wealth to pay the industrialists.

The Prime Minister and her Government were playing a dangerous game. It would receive the curse of the region's people who would vote against the reckless folly being perpetrated against them.

The Prime Minister had recently said it would be foolish to change the treatment and everyone felt ill after a major operation.

Minister condemns callous attack on police station by IRA

Revolution at the microcosmic level of the North West was expressed by Mr Michael Aislin, Minister of State for Northern Ireland, in a statement.

It was a callous attack, he said, which put at risk the lives and health of ordinary members of the public. Intensive police investigations into the outrage were continuing.

Mr Brynmor Jones, Opposition spokesman on Northern Ireland (South, Lab), said it was disturbing that the attack was launched from a by no means inconspicuous vehicle by what I understand was a civilian driver. He asked how long it was parked at this site?

Does he accept there is a case for either preventing parking within a certain distance of police stations or for further checks by the police to prevent vehicles being parked in such a perimeter so as to stop a repetition of this incident?

Mr Aislin—I cannot give information on the time the lorry was parked at the site from which the damage was done. It is part of the investigation being conducted by the police. It was parked some distance away from the target with intervening buildings screening it.

Investigation of suspicious parked vehicles is part of the regular security forces' duties. Whether in this case routine

Mr John Lee (Nelson and Colne, South, Lab) said that there was a case for more effective action against dumping of foreign textiles. Perhaps trade ministers could be prepared to allow the textile industry to second hand employees to the anti-dumping unit.

The Government should take advantage of public sector buying power to buy British textiles. Above all, they needed lower interest rates.

Mr Arthur Davidson (Accrington, Lab) said the quality of life in his area was being eroded. The cuts in public services were making it difficult to live in the area. There were less facilities for a sports centre, or there were less home help services. There were less facilities for a sports centre, or there were less home help services.

Mr Robert Aldridge (Preston, North, C) said the attitude of the north-west was one of resignation. He said the north-west was one of resignation. He said the north-west was one of resignation.

Mr Tom McNulty (Stockport, South, Lab) said small business men who voted Conservative did not imagine there would be a more than doubled rate of inflation, a quarter of the level of the 1970s, for a unique period of time, and increased VAT. A government could rarely have escaped such business confidence.

Mr Michael Meacher (Oldham, West, Lab) said that to preserve the more selective and discriminatory approach the Government should consider the possibility of industry-based rather than a purely area-based criterion for assistance. That would have the considerable merit of concentrating aid on the textile industry.

Mr Anthony Steen (Liverpool, Wavertree, C) said the uncertainty of whether the Government was going to intervene was making it difficult for the small firm to take informed decisions. It was the absence of dependable information as to how local government was going to move forward which was preventing the small firm from investing and the major financial institutions from making decisions prepared to fund risk capital. There had to be intervention to free the controls and enable firms to move forward.

Mr Charles Morris, for the Opposition (Manchester, Openshaw, Lab), said they had seen the declaration of the Lancashire textile industry. He said the industry had remained out of the 325,000 originally employed in the industry. The plight of the industry had been critical. He said the industry had remained out of the 325,000 originally employed in the industry.

The Government should consider setting up a development agency for the north-west which would act as a focal point for inward investment and generate the capital essential for industrial expansion.

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The Prime Minister and her Government were playing a dangerous game. It would receive the curse of the region's people who would vote against the reckless folly being perpetrated against them.

The Prime Minister had recently said it would be foolish to change the treatment and everyone felt ill after a major operation.

On May 1 (he said) the message will be quite clear. The north-west is the wrong hospital, and above all it is the wrong doctor.

Sir Walter Clegg (North Fylde, C) said the Government's policy of enterprise zones was doing more harm than good. He said the Government was pouring in state money, subsidy upon subsidy, to encourage the industrialists.

What Mr Clegg required was not more money. Private industry had never been able to fulfil the needs and requirements of the Government. The Government came forward and reversed the present trend, the impact on Merseyside would be grievous and the industrialists would be in a state of resistance.

checkers were made on the vehicle I cannot say until the investigation has been completed.

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JP 11/10/80



Have you noticed how luxury, like beauty, is often only skin deep?

If you're easily seduced by thick carpets and comfy seats, there are any number of 'luxury' cars to choose from.

If, however, you believe there's more to luxury than meets the eye (or for that matter, the posterior), the list of candidates rapidly shrinks.

Two cars that bear closer scrutiny are the Vauxhall Royale Saloon and Royale Coupé.

Their distinctive looks owe as much to the science of the wind tunnel as to the art of the designer.

Both cut through the air with the minimum of turbulence and, as a result, with minimal wind noise.

A tapered, sloping bonnet and, below the bumper, an air dam reduce aerodynamic lift at speed and underline

the cars' remarkable stability and impressive roadholding.

Even the door mirrors are specially contoured to deflect spray and dirt away from the side windows.

Road noise, too, is suppressed not just by layers of insulation, but by the suspension itself.

Springs and shock absorbers, for example, have been

mounted closer to the wheels than is customary.

They react faster and more effectively to the smallest movement and successfully iron out those irritating small bumps that can be so intrusive.

While the bodywork itself has a natural resonance too high to be excited by road vibrations.

The engine, a silky 2.8 litre 140 bhp six-cylinder unit, is additionally steadied by two diagonally positioned hydraulic dampers for further smoothness.

And automatic transmission is, of course, standard on both cars (with manual available at no additional cost).

Inside, the Royale is one of the few cars that allows the driver to achieve not just a good driving position, but the ideal one.

You can adjust the driver's seat for height, as well as for reach and rake and the steering wheel is tiltable.

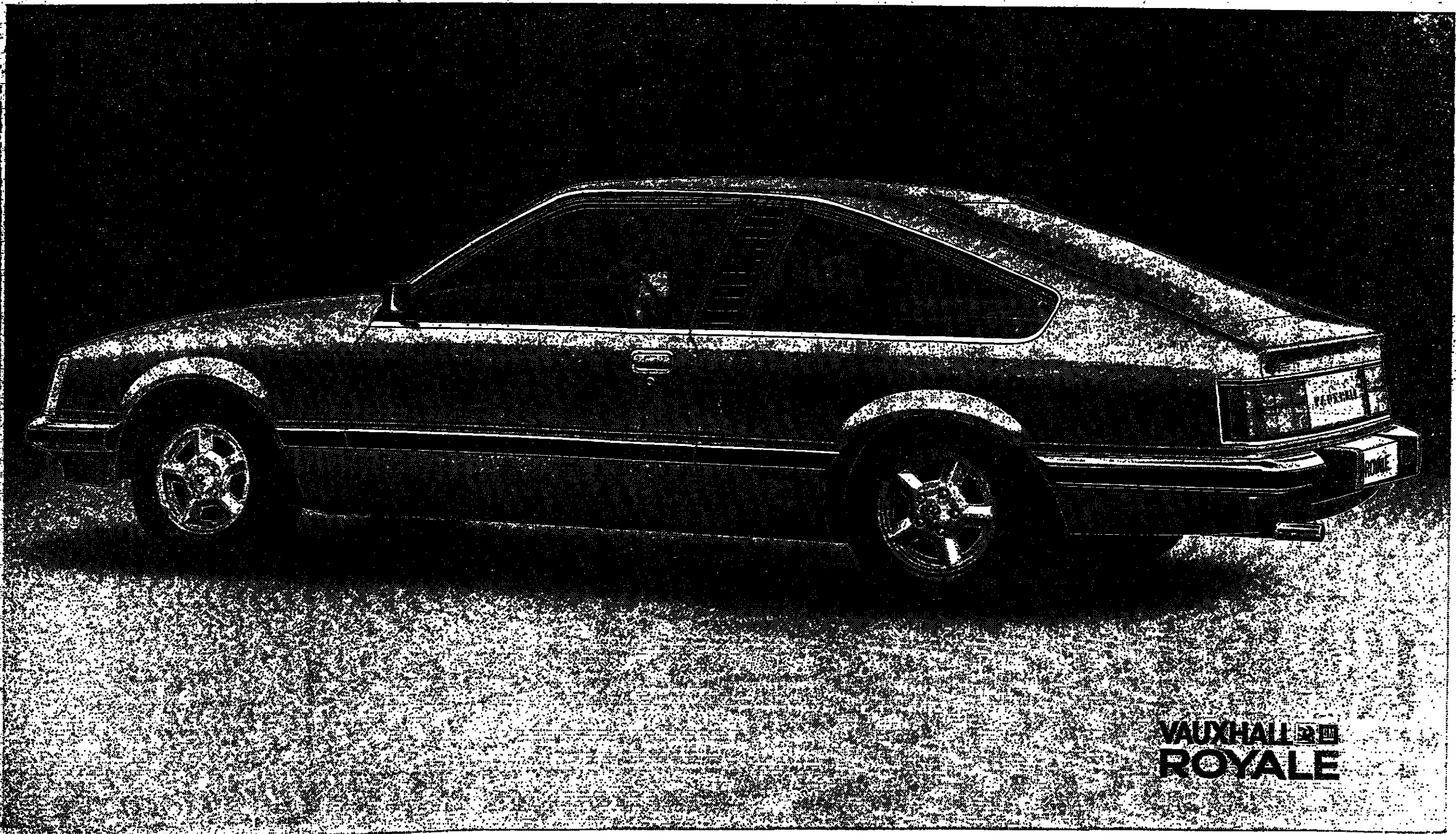
As you'd also expect, the steering is powered.

Examine a Royale at your nearest Vauxhall dealer, and don't simply be seduced by the lavish specification.

You'll find it's one of the few cars where luxury is more than just a question of appearances.

Luxury is built in, not bolted on.

AIR CONDITIONING IS THE ONLY OPTIONAL EXTRA AT £825. SALOON £10,100, COUPÉ £10,647. PRICES, CORRECT AT TIME OF GOING TO PRESS, INCLUDE CAR TAX AND VAT. DELIVERY AND NUMBER PLATES EXTRA.



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WEST EUROPE

Britain still waits for EEC refund decision

From Michael Hornsby
Luxembourg, April 21

Despite recent signs of compromise in Mrs Thatcher's battle to secure a drastic reduction in Britain's contribution to the EEC budget, finance little progress here today towards resolving the two key issues of the amount and duration of financial relief for Britain.

Speaking to journalists after the meeting, Sir Geoffrey Howe, the Chancellor of the Exchequer, none the less expressed confidence that the means of achieving a solution to the British budgetary problem had been established. It was now up to heads of government at their summit meeting on April 27 to 28 to take the final decision.

It was agreed by the ministers that the two elements in a final solution should be a modification of 1975, which reimburses countries contributing an excessive share of budget revenue, supplemented by extra EEC expenditure in Britain to boost the current low level of British receipts from the budget.

A modified Dublin mechanism would give Britain a refund on its gross contribution of about £300m, according to calculations made by the European Commission. Any further help would thus have to come from increased EEC spending on agreed projects in Britain.

Mr. R. M. Mitterrand, the French Economics Minister, for the first time gave top-level French support for this approach, but at the same time insisted that any special aid agreed for Britain should not last beyond the end of 1982. There was wide concurrence in this view, though some other ministers were prepared to consider an extra year.

At one point Sir Geoffrey said Britain would be satisfied to get half the refund it was asked for from the Dublin mechanism and half from extra EEC spending, implying total relief to only £160m. But later, when pressed to say whether this was the right conclusion to draw, he denied that he had used the word "half" in a mathematical sense.

Sir Geoffrey defended his Government's case that any arrangements for reducing the British budget deficit should last for at least six years so that the problem would not recur after a few years of relief.

The finance ministers did not even get into serious discussion of how much aid Britain should get, and indeed much of the meeting was spent haggling over how to measure the size of Britain's net contribution.

Sir Geoffrey, drawing on calculations made by the Commission argued that Britain's net contribution lay between £1,025m and £1,100m, adding that the upper figure was now the more realistic because the rising value of the pound had eliminated the EEC subsidies previously paid on British food imports.

By contrast, the French produced figures purporting to show that the real level of Britain's net contribution was only around £840m, partly because of the EEC subsidies last year of funds earmarked for Britain which had not been spent.

Belgium and Luxembourg also argued that their receipts from the budget were exaggerated by the funds they received to finance the running of the EEC institutions located on their territories, such as the European Parliament and the Council of Ministers.

They calculated Britain's share of these administrative expenses at more than £100m, and said that the estimate of Britain's net budget contribution should be revised downwards by this amount.

Squatters may disrupt Dutch royal ceremony

From Our Correspondent
Amsterdam, April 21

Dutch squatter groups are planning to hold demonstrations in Amsterdam on April 30, the day when Queen Juliana will formally abdicate and her eldest daughter, Crown Princess Beatrix, will be invested as the new queen.

Although a spokesman for the groups did not divulge the nature of the demonstrations, he hinted that they would be aimed at disrupting the ceremony.

'Operational error' at nuclear plant

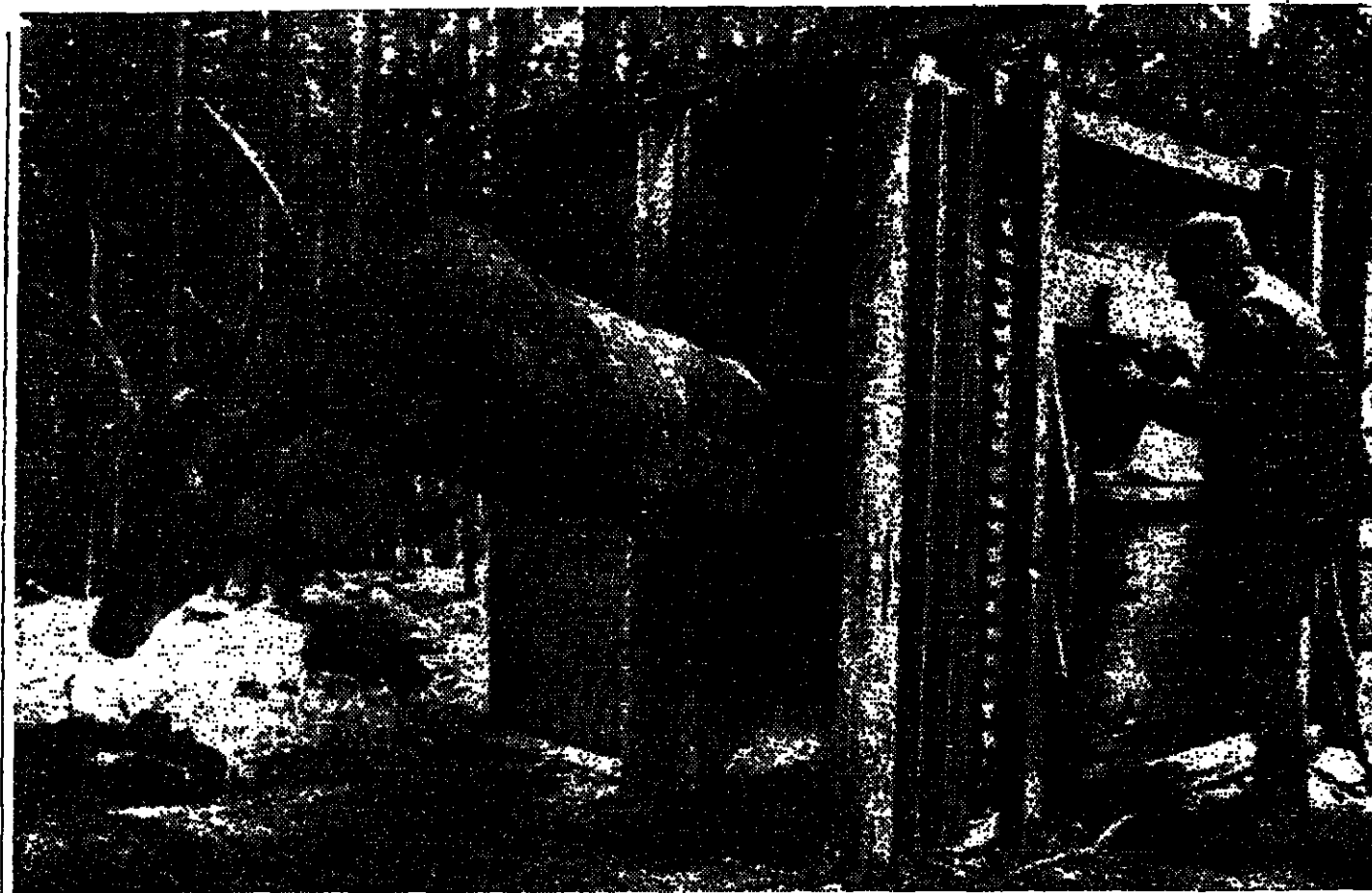
By Pearce Wright
Science Editor

The accident which has temporarily closed the nuclear fuel reprocessing plant at Cap La Hague, near Cherbourg, is identical to the type which opponents of plans to expand the Windscale factory of British Nuclear Fuels for similar work say could occur there.

The French accident disrupted the supply of electricity on which safety filters, alarms and other protection equipment depend.

After the breakdown was repaired only a small amount of decontamination is said to be necessary before the plant resumes production, probably within a week.

The French company Cogema describes the accident last Wednesday, a fire in the main transformer room, as "an operational error". The accident caused breakdown of the ventilation equipment which maintains a positive pressure in the plant so that nuclear materials cannot leak from their chambers. It also switched off cool-



A young stag leaping to freedom in the Bavarian National Park after being tagged by scientists who capture them at the end of winter to study their movements and feeding habits.

M Mitterrand in fresh leadership struggle

From Charles Hargrove
Paris, April 21

M. François Mitterrand, the Socialist leader, has sharply reined in M. Michel Rocard, his younger challenger for the party nomination in next year's presidential elections, and insisted in a radio round-table debate last night that he was the best guarantor of the Socialists' enduring unity.

It was as broad a hint as he has given so far that he would stand himself, although officially the Socialist candidate is not to be chosen until next autumn at the earliest.

This latest episode in the subterranean struggle for the party leadership between the "young Turks" in the entourage of the ageing party leader, who is 63, and M. Rocard was touched off by the latter's tour of Socialist party branches throughout the country in recent weeks.

The tour's purpose is to improve M. Rocard's standing, which has outstripped M. Mitterrand's in public opinion generally for some months now—within the party machine, and win over to his side a majority of the party militants, with whom the choice of the party candidate will ultimately lie.

Many of them still look upon him and his more modern, pragmatic, and undocrinaire approach to Socialist policy as

a deviation from social democracy and a threat to party unity.

As for the "young Turks" in the party leadership, their hostility to M. Rocard is at least as much a matter of power as of doctrine. They consider their continued influence in the party is bound up with M. Mitterrand's candidature in next year's presidential contest, and are therefore determined to stand M. Rocard at all costs.

Recently, M. Lionel Jospin, the national secretary of the Socialist Party, and therefore its number two, who has never made any bones of his deep-seated personal antipathy for M. Rocard, hinted that he himself would stand as the party candidate if M. Mitterrand should decide not to stand.

Last week he sent a sharply worded letter calling M. Rocard to order for a number of public statements in which he had "caricatured the standpoint of the First Secretary and of other members of the party leadership" by insisting on their hidebound allegiance to the historic Socialist tradition of state control.

The tour was also taken to task for his message to the Quebec Minister for Inter-governmental Affairs in favour of sovereignty, and for accepting an invitation "of the Con-

servative Government of Mrs Thatcher" to visit London last week, "without any mandate" from the party.

Finally, for good measure, M. Laurent Fabius, the party spokesman, stated that the party's Executive Committee had received several complaints from local party branches that they had only learnt of M. Rocard's planned visits to them through the press.

After the ground had been prepared by his trusted lieutenants, it was the turn of M. Mitterrand himself to weigh in, and "tighten up the bolts" of party discipline, as he puts it.

It is normal that a member of the party minority should express views which differed from the majority's. What is not normal, is that the minority should speak like the majority," he remarked.

No party was a liberal as the Socialist Party. Everything could be said and it said within it. But when it spoke out as such, it could only do so with one voice. A member of the minority could not do so without a mandate. In the face of the mass of talent which the Socialist Party had displayed, someone was needed to keep it together, to preserve its unity and maintain its political line, he emphasized.

There is still no official

Socialist candidate for the presidential elections. But there have been two unofficial ones for some months now. M. Mitterrand, earlier this year, tried to force M. Rocard into declaring himself openly—and thus cast himself as a divisive force in the party—by releasing him from the solemn undertaking he had given the party congress at Metz last spring not to stand if the First Secretary allowed his name to go forward.

But M. Rocard has been reading very cautiously, and has continued to adopt a low posture which has been so clearly advantageous to him so far. Last February, he merely said that he would accept the party's nomination if he got it.

This time he has foiled the attempt to brand him as a man who did not respect either the rules of party discipline or the party line, and rather ostentatiously cancelled his visit to three party branches scheduled for the coming weeks.

In so doing, he hopes to compel the party leadership to state openly whether or not it will allow him to stand as a candidate. In the words of the independent Socialist newspaper *Le Matin*, which is sympathetic to his cause, he hopes to get the militants who support him to impose his candidature on the party leadership, if need be.

London visit helps Bonn opposition candidate for Chancellor to build up statesmanlike image

Herr Strauss woos centre voters

From Patricia Clough
Bonn, April 21

The spotlight in the West German pre-election scene shifts to London this week when Herr Franz Josef Strauss, the Opposition candidate for the chancellorship, arrives on a two-day visit.

Appearances in foreign capitals are an important ritual for aspiring German leaders, giving them stature and possibly votes back home. That applies particularly to Herr Strauss, whose greatest talents lie in foreign affairs.

He has already visited Paris, Washington and Bucharest and a trip to Moscow would be greatly appreciated; but so far no invitation has been forthcoming. Some of the glamour however has been taken from his visits to France, the United States and Britain; each time his rival, Herr Helmut Schmidt, the Chancellor, had been there only a short while before.

Talks with Mrs Thatcher, Lord Carrington, a lecture to the parliamentary foreign affairs committee, interviews and press conference, on Thursday and Friday will certainly do no harm to Herr

Strauss's efforts to build up his image here as a statesman.

For several months, Herr Strauss has been cultivating a controlled, thoughtful, moderate style in strong contrast to his usual ebullient, controversial, often extreme and unpredictable ways.

He has avoided the outbursts and outrageous remarks for which he has become famous. To the wonderment of many he has passed up the chance of tearing the Chancellor to pieces over his Afghanistan policy, on the ground that the international situation was too serious to exploit for party political ends.

Thus he has sacrificed what public opinion analysts say are his two main assets, his image as a man for times of crisis and as a foreign policy wizard.

Herr Strauss, since he is unlikely to lose his traditional supporters on the right wing, is seeking to win over voters in the centre, who mistrust him and might be tempted to go over to the coalition parties or simply not to vote.

So far, however, Herr Strauss the statesman has gone over like a lead balloon. Even party supporters in the Baden-Württem-

berg and Saarland election campaign this spring admit that he has made virtually no impact on the public's mind.

Despite his new style, local party leaders there have seen to it that he made only a minimum of appearances, fearing he would frighten away voters.

To the disappointment of the Christian Democrats he appears to be doing no better than the unfortunate Herr Helmut Kohl, whom he somewhat ruefully replaced as chancellor-candidate. As yet he is virtually indistinguishable from the general political wallpaper.

To a certain extent, Herr Strauss is holding himself back, knowing that a candidate could wear himself and his image out in the long months leading to the elections. Aged 64 and no longer in top form, he may be saving his energy for the final spurt when the campaign begins in September.

But on May 11 there are crucial Land elections in north Rhine-Westphalia where a poor showing for the Christian Democrats would confirm their fears that they will lose in the autumn.

Obviously Herr Strauss has not yet found the right touch-

Leaflets found after Portugal bombings

From Our Correspondent
Lisbon, April 21

A series of bomb explosions in Lisbon, Oporto and other places in Portugal yesterday were accompanied by the scattering of revolutionary pamphlets for up to 50 years.

The most recent findings of the research group suggest that in the worst conditions the failure of the highly active waste storage could force the evacuation of people within a radius of about 100 miles and could make the area uninhabitable for up to 50 years.

The seriousness of the accident at Cap La Hague is the question which anti-nuclear groups would no doubt like to see explored at a public inquiry. For his part, Mr Peter Taylor, of the Political Ecology Research Group, believes it justifies the issue which the group continues to press about developments at Windscale.

ence, and to use armed force against imperialism".

The pamphlets were signed with a five-pointed star whose centrepiece was a hand holding a G3 gun, and by the printed initials FP.

The bombs were placed outside shops, banks, sports grounds and other centres. Many of them were detected

and defused. Although there was some damage there were no casualties.

The security authorities have not yet traced the organization responsible.

On Friday Portugal will celebrate the 25th anniversary of the revolution which ousted the right-wing regime that succeeded the Salazar dictatorship.

Attempt to seal oil leaks in Brittany tanker wreck

From Ian Murray
Paris, April 21

About seven tonnes of heavy oil escaped every day from the leaking forward section of the tanker *Tania*, which is lying at a depth of about 14 fathoms in the Channel 30 miles north of the Brittany coast. The costly and difficult task of sealing the leaks starts this week.

No decision has yet been taken on how to dispose of the wrecked section, which contains about 10,000 tonnes of oil. While the authorities consider between dynamiting, refloating or pumping the wreck, it has been decided to spend up to 3m francs (about £316,000) to seal it and prevent pollution of Brittany's beaches.

Two miniature submarines and divers are being used for the job. Strong currents will make it impossible for a diver to spend more than an hour a day in the water and the divers will work in relays.

The first attempt to launch one of the submarines, the P.C. 1203, had to be abandoned yesterday because of bad weather. The craft's first task will be to take photographs of the wreck to show where oil is escaping. Then the P.C. 1803 and its diver crew will go down and seal the holes with a resin compound.

The divers will also examine the wreck for information that will be used to reach a decision on how the oil is to be removed. President Giscard d'Estaing has agreed to meet a delegation of elected representatives from the Cotes-du-Nord department on Wednesday to discuss further ways to prevent wrecks off the north coast.

M. Charles Josselin, president of the regional council and a member of the delegation, said in a radio interview today: "We must know if we are prepared to pay and to pay a great deal for the safety of our coastline".

OVERSEAS

Mr Kennedy sharpens campaign oratory and gains new hope

From Patrick Brogan
Washington, April 21

After five months of campaigning for the Democratic nomination for the Presidency, Senator Edward Kennedy and Senator Robert Kennedy have last discovered the style that suits them best. They call each other names.

The Democratic voters of Pennsylvania will decide tomorrow which of the two they dislike the most, and vote for the other. They are not allowed to vote in the Republican primary, there are no other candidates to get in the way, and they are perfectly aware that this will be one of the crucial events of the 1980 presidential campaign.

In the early days, Senator Kennedy tried with a notable lack of success to propose coherent policies while simultaneously flailing away at the President. This was just after the American Embassy in Tehran had been seized, and the President's popularity rose spectacularly.

Mr Carter did not design to campaign himself, but his spokesmen made a point of attacking Senator Kennedy's character, record and ambitions. Mr Carter won all the primaries and Mr Kennedy was in serious trouble.

Then Senator Kennedy reverted to the old traditions of liberal Democrats, proposed a freeze of prices and wages, petrol rationing, and various other spending measures. Inflation was rising rapidly, the hostages were still in Tehran and Mr Carter's popularity was sliding down again. He did better, and carried New York on March 25.

Mr Kennedy has now, in his third phase of his campaign, polished up his oratory and abandoned confusing references to economic policy, petrol rationing and the like. When he is on the stump, he cuts away at the President, and the crowds love it.

He has been in Pennsylvania almost continuously for the past month, making several speeches a day in the hope that he can reach and convince enough voters personally or through television to defeat Mr Carter decisively.

In a state with a population of over 11 million, considerably more than Belgium, it is seriously impossible for the senator to carry the word to every voter. A lot of people

turn out to hear him, and they appear enthusiastic, while Mr Carter's speeches do much less well. The senator's popularity was observable in the last primary, in Wisconsin, which Mr Carter won easily.

The polls, as usual, are confused and no one is so rash as to predict the results of the vote. It could be very close, or Mr Kennedy could win a smashing victory.

Either of these results would allow him to continue his campaign, although Mr Carter is now taking in so many delegates that Mr Kennedy's chances of beating him for the nomination are steadily receding.

Mr Carter has accumulated 371 delegates and Mr Kennedy 443. The nomination requires 1,056, and whatever happens in Pennsylvania tomorrow, Mr Carter will advance further towards that total.

The senator could win a large majority of the popular vote and few more delegates than Mr Carter, because of the way delegates will be distributed. The more delegates Mr Carter has, the more he will get more than he needs. Pennsylvania sends 185 delegates to the convention.

On the same day, Missouri is holding party caucuses and Mr Carter will probably win most of the 77 delegates chosen. Mr Carter has picked up useful numbers of delegates from conventions over the weekend in Iowa, Oklahoma, Virginia and Mississippi.

In Pennsylvania, at any rate, Mr Kennedy seems to have escaped from the burdens of suspicion and dislike that caused him such pain in the earlier primaries.

Mary Jo Kopechne, the girl who was drowned in his car in Pennsylvania, was seen, came from Wilkes-Barre, industrial town in Pennsylvania, and is buried there. The crowds who have listened to the senator there do not seem to hold the incident against him.

Meanwhile, on the Republican side, Mr Ronald Reagan too is worried that he might lose. Mr George Bush is putting up a spirited last ditch fight in Pennsylvania and Mr Reagan returned there last night for some last minute campaigning.

Mr Philip Crane, finally out of the race last week and pledged his support for Mr Reagan.

Irish ambassador discounts militia denials

Beirut, April 21—Ireland's new ambassador to Lebanon said today he did not believe Christian militia denials of responsibility for the killing last week of two Irish soldiers serving with the United Nations peace-keeping force.

The United Nations has described the killings as cold-blooded murder and blamed the Israeli-backed militiamen in South Lebanon for the soldiers' deaths.

Major Saad Haddad, who commands the militias, has denied that his men were involved and said a Muslim family, seeking revenge for their son, shot in a clash with Irish troops of the United Nations force was responsible.

Mr Gerard O'Clairgh said: "Whatever Haddad says, I was at the Irish battalion's headquarters at Tibnin when he was issuing his doomday statements calling for financial compensation of the bodies of two Irish soldiers. For this reason I discount his denials."

A few days before the killing of the two Irishmen, who were abducted from a United Nations convoy last Friday by Lebanese gunmen, Major Haddad had demanded 40,000 Lebanese pounds (about £5,300) or the bodies of two Irish soldiers in compensation for two men he lost in fighting with the United Nations during the week.

Mr O'Clairgh said post-mortem examinations would be carried out today on the bodies of the two Irishmen at Beirut's American university hospital.

He was posted to Lebanon from Saudi Arabia and presented his credentials on Saturday.—Reuter.

Japan denial of sanctions as Tehran stops oil supply

From Peter Bazelhurst
Tokyo, April 21

Iran banned all shipments of oil to Japan, its largest trading partner and customer, at midnight last night, the Japanese Broadcasting Corporation announced.

Earlier Mr Masayoshi Ohira, the Japanese Prime Minister, told Mr Mike Mansfield, the American Ambassador in Tokyo, that Japan is ready to make "some sacrifices" to secure the release of the hostages in Tehran. In turn Japan hopes the United States will not use military force to resolve the crisis, Mr Ohira told the American envoy.

The Iranian authorities allowed Japanese tankers to take on oil throughout the day yesterday and eight tankers, fully loaded, are said to have left for Japan before the ban came into effect.

Iranian oil accounts for 10 per cent of Japan's total supplies. Until midnight Japan was buying about 520,000 barrels a day—more than a third of Iran's output of crude.

Iran threatened to cut off Japan's supply of oil last week after Japan's oil companies, acting on the advice of the Government, refused to meet Tehran's demands for an increase of \$2.5 (just over £1) on the price of crude.

Japanese officials were at pains today to point out that Japan's policy on the price of Iranian oil should not be construed as the operation of sanctions against Iran.

An official of the Ministry of International Trade and Industry said Japan's decision to cut down the Iranian price of \$35 a barrel "cannot be con-

sidered as the operation of

sanctions against Iran."

Japan is expected to make a "challenge to international order" by opposing any action which would jeopardize Japan's oil supply.

Mr Ohira told the American ambassador that Japan was prepared to make a sacrifice in the name of international order.

Japan, the key to the application of successful sanctions against Iran, is apparently preparing a plan to ban exports of oil to Iran.

The Government has already advised exporters not to dress up new contracts with Iran: the same time officials admit that they are examining legislation which would permit the Government to enforce sanctions against Iran.

Some of them British Army personnel. "We have had special Cabinet meeting Sunday. Looking back, some wonder if other victims of the last decade in Ireland were a worth an emergency Cabinet meeting. Should we all have thought more deeply about massacres which have marked our country?" he asked.

It was, of course, impossible to know whether such thoughts were running through the mind of the man who was buried privately in a coffin of the Irish Brigade of the United Nations peace force in Lebanon today. His coffin was taken to the cemetery above Atlantic where the low hills County Galway look uncannily like the escarpments and ridges around Al-Thai.

Even the people of Galway with the history of famine, some like them—they do know it—no the great desire Shia Muslims of south Lebanon.

Perhaps, Private Griffin's family realized this as they stood beside his grave, on a plot theatrically labelled "the mourners". They remain there until 12 soldiers from the Irish Brigade are buried in the same plot.

Griffin began sobbing.

Ireland mourns murdered soldier

Continued from page 1

One leading member of the Jewish community in Dublin anxious to remain anonymous on so sensitive an issue, was perfectly blunt about his feelings. "We are very concerned about reactions in Ireland," he said. "We are a little frightened and Israel's attitude has done us no good."

Little thought was given to the warning, two years ago, by Dr Garry FitzGerald, leader of the Irish Fine Gael opposition party, that the United Nations mandate in Lebanon was so vague that it might place in danger the lives of Irish soldiers.

Even less thought was given last week to the disturbing parallels between military funerals in two adjacent European countries. An old man at the back of St Joseph's this morning wondered whether the British felt the same when their soldiers' coffins came home from Ireland.

This idea—that Ireland might now be experiencing the same collective grief that the British have suffered on a much greater scale over the past nine years—was taken up by the Irish Times today.

"We have seen other men in uniform killed on our soil," the newspaper said in an editorial.

"some of them British Army personnel. "We have had special Cabinet meeting Sunday. Looking back, some wonder if other victims of the last decade in Ireland were a worth an emergency Cabinet meeting. Should we all have thought more deeply about massacres which have marked our country?" he asked.

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OVERSEAS

Starvation drives Haitians to seek illegal refuge in Florida as drought wipes out vital crop

From Michael Leapman
Port-au-Prince, April 21

A drought and famine in the north-western region of Haiti is the chief cause of the increase in illegal refugees, or boat people, arriving in southern Florida. Already this year the number of Haitians landing illegally there has exceeded 2,500, the estimated total for all last year. American officials have said they are baffled by the sudden increase; however, a short time ago to Port-de-Paix, the town in the north-western region, the Haitian population is said to be on the edge of the famine because of the drought which has been in progress for the past few months. Almost all the pea plantations, which are the principal source of the people of this area, have been destroyed by the drought.

he report goes on to explain that this is forcing people to leave their lives, to seek an illusory better life in the Americas or Florida.

It is not clear what it can but are areas, remote from towns, where help cannot reach. In these areas, said M. Clervaux, "if there is no rain within a month or two, the children will die."

any world league table of misery, this one would not be among the most miserable, at least at this stage. Its impact lies in that it contributes to America's latest crisis of conscience about how it can and should do to the growing number of illegally disposed of.

United States Government, although not at the

moment repatriating the refugees, is not offering them legal asylum because they say their motive for leaving Haiti is economic and not political. Even when the rains come, on time the country has the lowest per capita income of any in the Western Hemisphere.

My findings in the north-west confirm that the boat people are economic refugees. What they are fleeing, however, is not just poverty but starvation. Rain normally comes to the region during the months of December, February and May. This year February was dry.

On the farms, the carefully spaced rows of peas stand in the dust, bare except for a few creeping weeds. When I asked farmers when they would plant they gestured towards the hot blue sky and said: "We are waiting for the rain."

They are used to doing that. It was a drought here in 1975 which brought Caritas to the region.

M. Clervaux took me to a settlement of mud and wattle huts near the centre of Port-de-Paix. About 30 families, rural areas which could not support them, live in a condition of unrelieved squalor and hunger.

In the huts, about 10ft square, five, six or seven people sleep together on mats. The men take what work is available as porters in the port, earning no more than a few pence a day.

The women, old as well as young, gather stones from the beach and break them smaller to be used in construction. For a pile 5ft wide and 3ft high they are paid about £1.

The children, many of them unclothed, have badly runny noses because of the dust. They eat the meagre quantities of flour and rice given by Caritas, augmented by whatever small amounts of fish and fruit their family can afford.

The families would jump at the chance of an illegal ride to Florida if they had enough money. Reports of the cost of

the passage range from \$500 to \$2,000 (£227-£909).

Port-de-Paix is the centre of this illicit refugee trade, although its people are wary of talking about it to strangers. An intending refugee—known locally as a "gully-gully"—probably a corruption of "illegal"—has to find a willing skipper who will make a rendezvous on a deserted beach at dead of night.

The police try to stop them (a boatload were arrested in Port-au-Prince last week) but they do not have enough men to keep watch on all the inlets. Some captains take the refugees from the mainland in small boats and transfer them to larger ones at the sparsely inhabited Turtle Island some six miles off shore, whose bays are even harder to patrol.

To raise the money the intending immigrant will borrow from relatives. He will repay it by remittances from his comparatively magnificent wages in Florida. Then the funds will be available again to finance another immigrant.

Thus the process is self-sustaining, and even without the famine the rate of the exodus would have been likely to increase. Starvation, however, is the most powerful motivation.

M. Clervaux says that while assistance to relieve the immediate famine would be welcome, what is really required is a long term programme to develop the area's resources, such as fishing.

Although many international development projects are under way in Haiti this area, containing 250,000 of the country's 5,500,000 people, has been largely ignored, possibly because it is so far away from the capital—a stiff six-hour drive, half of it on unpaved roads.

Near the mud huts three boys, with running noses and ragged trousers, were playing, building fragile castles in the dry sand. M. Clervaux watched them in silence and then said weakly: "If they stay here, these children have no future."

Ban sought on flags and anthems at Olympics

Lausanne, April 21.—The leaders of four West European national Olympic committees told the International Olympic Committee today that national flags and anthems should be banned from the Moscow Olympics.

The Belgian, British, Italian and Liechtenstein representatives also said the Russians should not misconstrue the desire of most West European countries to compete as a sign of approval of Soviet policy in Afghanistan.

Sir Denis Follows, chairman of the British Olympic Association, said the four-man delegation represented 16 European committees which wanted to make sure the Russians understood the position.

"Many of us also feel it is not a good idea for our national flags to be paraded before the Russian populace who might think that showed some kind of approval of the Soviet regime," said Sir Denis, although he did not think the international committee would agree to a ban "because there are many countries that set great store by that kind of thing."

"But it's time the Olympics reverted to its ideas and ideals and had less of this nationalistic stuff," he was accompanied by Mr Raoul Mollat of Belgium, Signor Franco Carraro of Italy, and Dr Peter Ritter of Liechtenstein.

German doubts: There was "little chance" of West German athletes taking part in the games, Herr Willi Daume, president of the West German National Olympic Committee, said today.

"Public opinion in West Germany has swung in favour of a boycott since the American decision," he said. "We are still fighting back, but we have no illusions as to the outcome."

He also said that from his talks with M. Claude Collard, his French counterpart, "the French are still in favour of taking part at Moscow."

The West Germans hold the balance between the success or failure of a boycott at Moscow according to Olympic leaders, and they have been under increasing pressure first from the United States and now from the Soviet Union, which today said West Germany's absence from the games would seriously



Lord Killanin, president of the IOC, in Lausanne yesterday.

effect relations between the two countries.

The Russian pressure was applied in Lausanne by Mr Ignati Novikov, president of the Moscow Olympic Committee and a Soviet Deputy Prime Minister, during a private meeting with Herr Daume.

Sources at the meeting said the West Germans were left in no doubt about the threat to relations between the two countries if West Germany bows to American pressure.

Herr Daume made little comment on the meeting apart from saying the subject of Afghanistan was discussed.

Further Soviet pressure on West Germany came from Mr Vladimir Popov, vice-president of the Moscow organizers, in an interview in Moscow with L'Equipe, the French newspaper.

Mr Popov said it had taken 30 years to normalize relations between Russia and West Germany and that President Carter's pressure on Bonn to spoil everything with a boycott was "a state of mind which smelled of gunpowder."

International force to observe Uganda poll

From Charles Harrison
Nairobi, April 21

An international force of military observers, similar to that used in the Zimbabwe elections, will operate in Uganda later this year when the country's first elections since 1962 take place for the presidency and Parliament.

President Godfrey Binaisa announced this in a broadcast from Kampala this weekend. He also outlined measures being taken to ensure the assistance of other nations, to control violent crime in the Kampala area.

The military observer force is understood to be a compromise reached after President Binaisa had asked Britain and other friendly states to send a peacekeeping force to Uganda to replace the Tanzanian troops who have been there since the overthrow of President Idi Amin last year.

In addition, Kenya, Sudan and Tanzania are training Ugandan police in a programme designed to build up a force that is seriously depleted and unable to cope with the crime wave.

That plan was agreed last week when the Presidents of Kenya, Tanzania, Sudan and Uganda met in Mombasa.

President Binaisa said that an international plan supported by Australia, Canada, Sweden, Denmark, West Germany and the United States would provide equipment and facilities for training police recruits in Uganda. Britain has already assisted with training.

The Ugandan President called on the public to cooperate with the authorities by reporting criminals and helping to recover illegal arms. He said heavy penalties would be imposed on people who did not surrender illegal arms.

He said people were being

shot for material gain, to settle old scores, or simply to cause unrest. He suggested that unnamed people might have launched a "bloody campaign" to cause instability as a prelude to seizing power.

Half the Tanzanian military force has been withdrawn from Uganda, and the remainder is due to go before the elections. Tanzania accepts that the force has overstayed its welcome.

Meanwhile, the Governments of Kenya, Tanzania and Uganda are studying recommendations for settling the complex financial affairs of the East African Community, which collapsed in 1977 after disagreements among the member states.

Dr Viktor Umbricht, a Swiss arbitrator, has submitted his findings after a study of the community's assets and liabilities. Reports published here say he recommends that Kenya should pay almost £40m to Uganda for the community assets it has inherited and that Tanzania should pay £11,600,000.

Most of the community's assets, including the railway system, buildings and lake steamers are in Kenya and, to a lesser extent, Tanzania, the report says.

There are also long-term loan obligations, which in Kenya's case amount to almost £100m, for developments started under the community.

Kenya, Tanzania and Uganda now operate separate railway, postal, telecommunication and air services.

Ministers of the three states are due to meet next month to consider Dr Umbricht's proposals. They will probably also discuss the issue of the Tanzania-Kenya border which was closed by Tanzania when the community collapsed. Tanzania is not expected to open the border until the question of community finances is settled.

Costa Rica offers to take all Cuban exiles

José, April 21.—Costa Rica has offered asylum to the Cubans still trying to leave Havana through the Peruvian Embassy, and appealed to them to resume immediately. The Cuban President has not yet responded to appeal or lifted the ban he had on Friday on flights to Costa Rica, he did allow 32 Cubans to leave, to fill seats on an Iberia Air-flight from Havana to Madrid.

Most of the Cubans who left the Peruvian Embassy's grounds two weeks ago to go to the United States, he would be difficult to get, Costa Rica had offered the refugees temporary asylum until they could be resettled.

About 700 had been to San José and half of them had been flown on the Cuban Government's use of Costa Rica as a transit stop and said the exiles must be flown to those countries using them as refugees.

Costa Rica responded yesterday by offering to accept all Cubans wishing to leave Cuba, he doors of Costa Rica re-open for all those who a corner in the world can fulfil their aspirations of liberty and peace, without taking into account their origin, ideology or colour of their skin," the Foreign Ministry said in a statement.

In addition to Peru, which has agreed to accept 1,000 refugees, and the United States, which has said it will take up to 3,500, Argentina, Brazil, Ecuador, Belgium, Spain and Sweden have offered to accept some of the Cubans.

Señor Carlos Aguilar, of the Costa Rican Foreign Ministry, said there were indications that President Castro would allow flights from Havana to Miami. But he said he thought that would pose legal problems for the United States, which did not have full diplomatic relations with Cuba.

Costa Rica has said it could afford to resettle only 300 of the Cubans on its territory, but Señor Aguilar said contributions from foreign governments and private sources would allow the nation to accommodate up to 10,000.

On Saturday, an estimated one million people participated in a pro-Government march in Havana to mark the nineteenth anniversary of the abortive Bay of Pigs invasion.

"Out with delinquents, trash and parasites," the marchers shouted as they passed the Peruvian Embassy.—AP.

New refugee crisis fear in Hongkong

From Richard Hughes
Hongkong, April 21

Refugee administrators in Hongkong fear that world opinion will soon harden against the continuing resettlement of South-East Asians seeking new homes abroad.

Refugees from Vietnam, the number of which have shrunk markedly in recent months, say that the outlook will rise again as the younger generation becomes increasingly intolerant of hard living and working conditions.

The principal resettling nations, the United States, Canada and Britain, are still meeting their commitments and Hongkong's existing refugee population of 43,000 is being evacuated at the rate of 3,000 per month. If there is no further influx of refugees, the still crowded camps here would be emptied by the middle of next year.

But, according to Mr Jacques Terlin, the new Hongkong head of the United Nations High Commission for Refugees (UNHCR), Hongkong's camps could face "another crisis situation" if the refugee influx increases.

"It is now not the time of open doors any more," said Mr Terlin. "Those countries which have been accepting refugees are now dealing with unemployment, inflation and housing problems of their own. If the refugee effort goes on too long, it starts to weigh too heavily."

Mr Terlin, who was recently the UNHCR representative in Canada, said that the mood of the population there was clearly turning. And a United States refugee official here agreed that the American attitude towards refugees was also cooling.

Sir Murray MacLachlan, the Governor, who is visiting the Philippines, will inspect the new refugee processing centre on Batan Island, west of Manila, where 10,000 refugees have now been accepted from camps in Thailand and Malaysia to wait resettlement. Hongkong would like to send more of its refugees to the Philippine camp but so far less than 600 have agreed to be transferred from Hongkong.

Private inquiry ordered to Steve Biko's doctors

Our Correspondent
Johannesburg, April 21

An inquiry will be held to see if there should be an investigation into the professional conduct of the three doctors who attended Steve Biko, the Black Consciousness leader who died in police custody in September, 1977.

An official of the South African Medical and Dental Council said the preliminary inquiry would be held in private on April 24 under the chairmanship of Professor E. Snyman, president of the council.

"A formal inquiry will be held if there is sufficient evidence to support the fact that a formal inquiry should be open to the public," the council said.

The doctors concerned are Benjamin Tucker, Dr D. Lang, both Port Elizabeth district surgeons, and Dr Colin Hirsch, a specialist physician.

Last December, a judge in the Pretoria Supreme Court dismissed with costs an application by Dr Tucker and Dr Lang to stop the Medical and Dental Council from proceeding further with preliminary inquiries into complaints about their conduct.

Complaints were laid by Mr Eugene Roelofse, ombudsman of the South African Council of Churches, after he had read reports of the Biko inquiry.

The inquiry magistrate found that Biko died of massive brain injuries and renal failure after being driven 600 miles from Port Elizabeth to Pretoria, naked and manacled in the back of a police van. The magistrate found that nobody was criminally responsible for his death.

Namibia blacked out by guerrillas

Ray Kennedy
Johannesburg, April 21

The second time in a month Namibia (South-West Africa) has been virtually blacked out as a result of guerrillas of the South-West African People's Organisation (SWAPO) on the line between Ruacana and the electric station on the border and the capital, Windhoek.

Last Wednesday three SWAPO guerrillas were shot down by the South African army. Two were taken to hospital and restored to action. Sunday night they were up again.

SWAPO's action signifies a shift in tactics from plain attacks—the killing of village headmen, abductions, mine-laying and ambushing of African troops—to economic warfare.

As the lights went out in Windhoek on Sunday and in 90 per cent of the rest of the country, it was sharply brought home that the vicious border war 200 miles away is getting closer.

Tonight officials of the South-West African Electricity and Water Board were seriously wondering if it was worthwhile repairing the damaged pylons at 10,000 rands (about £5,600) or whether the territory should revert to relying on coal-fired power from its main power station near Windhoek.

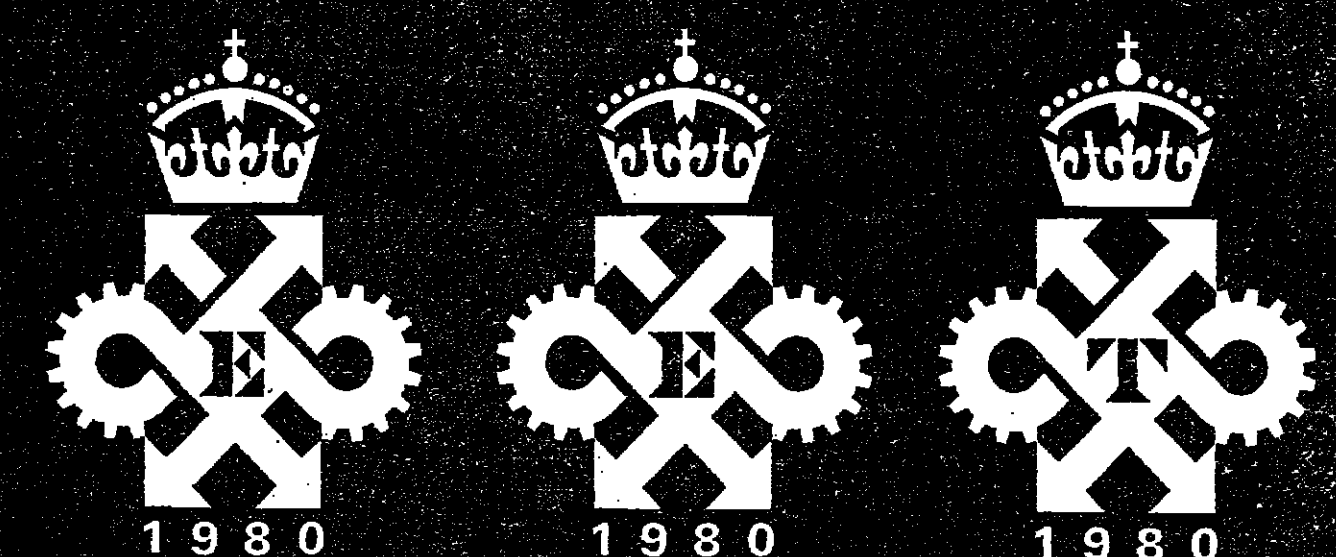
Mr Polla Brand, general manager of the board, said in Windhoek last night that consultations were in progress to decide if and when the power line would be repaired.

He said: "It is senseless playing this silly game. To keep on fixing the line costs a massive amount of money. The in-

direct costs are at least 30,000 rands a day." If the line was not repaired "people here will just have to pay more for their electricity."

The 150m rands Ruacana scheme harnessing the Cuenene River at the Ruacana Falls—among the natural wonders of Africa—was drawn up between Portugal and South Africa long before Angola's independence.

It would have provided abundant power and irrigation for much of South-West Africa and Angola. Since the independence of Angola, the MPLA regime has refused to divert the Cuenene's waters into a huge underground power station on the Namibian side and the South-West African authorities have been compelled to build, at tremendous expense, a pipeline to feed water into the power station from another source.



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Racal Electronics is proud to announce that no less than three of its operating companies have been honoured with the Queen's Award to Industry in 1980, and congratulates the management and staff of each of them. This record achievement for the Group brings the number of Queen's Awards to Racal companies to twenty three, fourteen for export and nine for technological achievement.

Racal-Datcom Limited operates in the communications security market and exports more than 90% of total output. This company has won the Queen's Award for export achievement.

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OVERSEAS

Electricity industry's failures attacked by Indian minister

From Richard Wigg
Delhi, April 21
Mr Abdul Chaudhury, India's Energy Minister, has told the private sector to generate more electricity to solve the country's chronic energy shortage and to stop grumbling.

Coming after Mrs Gandhi's sudden nationalization of six large banks the statement did not help to clarify the economic policies of the Government which has now been in office for three months. Mr Chaudhury said energy difficulties were the chief constraint to India's economic growth.

As a developing nation, India faces the hard task of securing crude oil and petroleum product imports at ever dearer prices and the equally grave difficulty of tapping its own energy resources and making the most efficient use of them, especially after unrest in oil-producing Assam. The coal, hydro-electric and nuclear power sectors are all in serious trouble.

At the fierce onset of summer each year, India's persistent neglect of its energy base provokes anger among industrialists and householders facing lost factory production and cuts in electricity and water supplies.

Mr Chaudhury publicly savaged the state electricity boards. There was no systematic maintenance of generating machinery, he said (something foreign engineers have long known, boards did not listen to workers' grievances (strikes when the hot season approaches are inevitable) and the boards were mostly filled with political nominees.

It may be no different under Congress rule but the result so far has been uneconomic tariffs to suit a particular powerful local clientele.

There would be no power crisis, Mr Chaudhury said, if the state electricity boards generated 60 per cent of their installed capacity. The national average is estimated at 45 per cent.

Last week Karnataka, reckoned an economically go-ahead southern state, announced, without warning, a 100 per cent indefinite stoppage of all high tension supplies throughout the state. Big companies in Bangalore made so much noise that within two days emergency supplies were channelled through the grid from Kerala, Tamil Nadu and faraway Gujarat.

The failure of last year's monsoon rains to provide sufficient water for Karnataka's hydro-electric power stations was the excuse; but the stoppage emphasized a lack of long-term planning over the past decade.

Experts appointed by the planning commission to produce a future national energy strategy have recommended

increasing oil production, which is less than 15 million tonnes of crude a year, and argued that coal production and hydro-electrical schemes should be made a priority. Only 10 per cent of India's hydro-electrical power resources were being tapped. Nuclear and solar energy could come later. Coal and hydro-electrical power have been neglected because of cheap oil.

A recent medical survey, whose findings the Government has not contradicted, showed 60 per cent of India's miners were suffering from serious occupational diseases.

Mining methods are out-dated and production last year fell more than 10 million tonnes short of the 104m tonnes target. Coal India has been beset by difficulties. Elsewhere in the industry there has been labour indiscipline and, more seriously, Mafia-type gang warfare among "the bosses" in important coalfields, where the Government's writ hardly runs at all.

The Steel authority has been so badly affected by shortages of coal and power that the Government last week accepted it had no alternative but to allow 1.4m tonnes of steel to be imported this year to offset production losses. It is also considering importing a million tonnes of coking coal to safeguard steel plants should domestic supplies become even more erratic.

Iraq's oil minister, on a visit here, announced that in addition to the six million tonnes crude his country would supply India with this year, there would be a \$104m (about £47.3m) interest-free loan to cover increased oil prices since last June. With the uncertainties over Iran, Iraq has become India's chief supplier, accounting for almost a third of total oil imports.

Much is being made of that loan (in spite of its modest size compared with the total oil import bill) because it is the first of its kind in India since a commitment by the Organization of Petroleum Exporting Countries at last year's summit in Havana.

Mr Virendra Patil, the Petroleum Minister, said the oil import bill this year will reach 50,000m rupees (more than £2,800m). That compares with total exports last year worth 60,000m rupees and this year's export target of 70,000m rupees. Such big bills are forcing India to use its own energy resources more effectively.

Little has been done to curb an annual growth rate of oil consumption of 10 per cent. Mr Patil hinted broadly that a long overdue increase in petroleum product prices would only come after next month's state assembly elections.

Brezhnev praise for fishing fleet

From Michael Binyon
Moscow, April 21
President Brezhnev sent a telegram of congratulations at the weekend to the Soviet fishing fleet in the Far East, praising them for their excellent catches and saying that they had set a fine example to the whole country's fleet.

Quarterly economic figures show that the fishing industry produced unusually good results for the first three months of this year, with production 11 per cent above the planned target.

Western reports have recently publicized a vast fraud that went on in the fishing industry for a number of years involving the smuggling of caviar to the west and illegal catches by the Far East fleet of catches to Japanese fishermen in return for consumer goods.

After the resignation last year of the Minister of Fisheries that precluded the arrest of up to 200 ministry officials, Mr Kosygin, the Soviet Prime Minister, was officially reported to have discussed with officials ways of raising production.

Mr Brezhnev told the Far East fleet that he was convinced they would continue to labour for the benefit of the country, using all their energy, skill and accumulated experience to fulfil their obligations and put into effect party resolutions on the increase in fish production.

Other economic results published at the weekend show that most sectors of the economy performed satisfactorily, producing better results than the disastrous first quarter of last year.

Output then was severely hampered by the very cold winter, and this year has seen an overall rise of 5 per cent compared with the first three months of 1979.

Paper and pulp production was 4 per cent below plan, the only sector not to have reached its target according to the statistics. However, these appear to contradict the report of a meeting three days ago where the Council of Ministers under Mr Kosygin heard that other key sectors including coal, iron and steel and chemicals also had not reached their targets.

This year total coal output was 136 million tons, a little down on the same period last year, though still 2 per cent above the target set.

Chemical and steel industries, which were sharply criticized by Mr Brezhnev last November, were also apparently able to fulfil their plans, in spite of the report to the contrary by the Council of Ministers.

The discrepancy is probably because the targets themselves were revised—a common practice when it looks as though they will not be met.

Afghan resistance leader refused visa for Britain

From Edward Mortimer
Peshawar, April 21

Professor Abdur Rasul Sayaf, the head of the six main Afghan resistance movements is to visit London in the next few days. But one of his assistants, who was to have accompanied him as adviser and translator, has been refused a visa by the British Embassy in Islamabad.

Mr Ahmed Shah, who is the deputy leader of the Jamiat-Islami Afghanistan, one of the component groups of the alliance, told me last night he had been refused the visa on the grounds that he did not have a reentry permit for Pakistan, although he had a residence card for the United States.

He understood, he said, that the British Government did not want Afghan refugees settling in Britain. But he felt that because the British Government claimed to be opposed to the Russian occupation of Afghanistan and to support the Afghan resistance, the least it could do was to establish contact with the known resistance leaders and issue visas on their recommendation to bona fide visitors on political business.

In an interview with *The Times* last night, Prof Sayaf said that he had been invited to London by Mr Salem Azam, the secretary-general of the Islamic Council of Europe. He was not sure whether he would seek a meeting with a member of the Government.

He wanted first to have discussions with Mr Azam, who

was instrumental in bringing about the alliance of Afghan movements at the time of the Islamic foreign ministers' conference in Islamabad in January.

He also wanted to discuss with Mr Azam and with leaders of the United Arab Emirates whom he will visit on his way back from London, whether his alliance should seek formal recognition from the Islamic foreign ministers at their next meeting in Islamabad in May.

He said efforts were continuing to bring into the alliance the main group that has so far remained outside it, the Hizb-Islami led by Gulbuddin Hikmatyar.

Prof Sayaf, aged 36, taught Islamic law at Kabul University until his arrest by the Daoud regime six years ago. He escaped execution by an oversight after the Communists came to power in 1978.

A gaunt, impressive man, with a bushy black beard, Prof Sayaf refused to say what aid his movement was seeking or from which Governments he would accept it. But he asked rhetorically whether Governments of the free world should not have come forward with aid without waiting to be asked if they were really concerned about what the Soviet Union was doing in Afghanistan.

He considered the support given so far to be purely verbal, but said the Afghans would carry on fighting whatever the odds.

Colours in new Kabul flag an attempt to woo Muslims

From Our Own Correspondent
Moscow, April 21

A new tricoloured Afghan flag, including green to signify Islam, was hoisted today in Kabul at a ceremony attended by tens of thousands of people, according to a Tass dispatch from Kabul. It replaces the former red flag that many Afghans regarded as a symbol of the ruling party's hated atheist philosophy.

President Babrak Karmal said the flag, recently approved by the Revolutionary Council, was the "symbol of peace, freedom, social justice, progress and equality", and was also the banner of unity of the Afghan people.

He used the occasion to call on all working people to join together in giving a "resolute rebuff" to imperialism, which he said was encroaching on the country's independence.

The black, red and green flag is an attempt to win over the Muslim population. There has been sharp controversy over its design since the Government decided in January on the change and the tricolour appears to be a compromise. The former red flag will remain the emblem of the ruling party.

The new state emblem will show two features of a mosque, the pulpit and the Mihrab niche that guides worshippers in the direction of Mecca, against a green background.

The Government's commitment to Marxism has been enshrined in a new set of basic principles approved by the ruling People's Democratic Party, according to Tass.

Under what amounts to a temporary constitution, the Revolutionary Council remains the highest body of state authority until a parliament, to be called Loya Jirgah, can be elected to adopt a full constitution. Afghanistan has not had a constitution since the coup in April, 1978.

Fashion

by
Prudence Glynn

When I was in New Zealand I went to the Bay of Islands and there I saw a wondrous cloak, a cloak of fabric and feather and tuts of this and that, ample as the vestment of a priest, splendid as the armour of a warrior. It had belonged to the Maori chief who signed the Treaty of Waitangi in 1840.

When I saw the work of two youngish designers, Ian Cooper and Marcel Aucouin, which I show on the page today, the feather motif reminded me of the timelessness of great textile design. Ian and Marcel met in Canada and now they have a studio in London where very special and what many of you will think very expensive clothes are produced by hand.

I do not care for the word expensive for it implies bad value. What must be said is that Ian and Marcel produce beautiful, exceptional clothes, all quite different, which cost a lot of money. On the other hand they are clothes of such simplicity and classic cut, and of such startling ravishment of colour and texture that they will stand up in as good stead as do my Chinese mandarin robes which, 150 years later and very possibly used to decorate Chou Chin Chow on Ice in the interim, retain a dignity and innate excellence which makes me don them whenever in doubt.

The fabrics—always silk—are stretched on an 11ft frame, the pattern pieces are outlined, then the painting begins. The colours (with dyes from Paris) are steam set, then dry cleaned. Then the yardage is cut up and sewn together—there is one trusty outworker, but Ian also makes up clothes as well as cutting the patterns; well he was at St Martin's, so it's nice to know that our extravagant educational programme for designers does work.

Not surprisingly, Ian and Marcel sell to the most discriminating shops. Atmosphere in Regents Park Road, Lina Lee in Rodeo Drive, Beverly Hills. All details from Ian and Marcel, 48 Huddleston Road, London N7. Tel 01-272 4376.

PS: It must work. They are looking for bigger premises.

Last week I recorded a conversation with a buyer which took place during a presentation of a very fine collection. The collection was designed by Pauline Wynne-Jones, ex-Liverpool Polytechnic, working from Wales, and one of the most consistent and yet consistently unassuming talents in this country.

For Pauline makes dresses, lovely, flattering, simple dresses that you can wear down to dewy eve, and when she makes a suit it is really a dress in two pieces, so soft is the tailoring, so feminine the proportions.

Dresses which are instant classics can be very dull. One more little button-through shirt dress number means safety perhaps, but not quite an incentive to buy. Pauline's dresses are safe in the right way but always spiced with some new detail, some new cut which makes you want to buy again and yet at the same time does not make you feel that what you had before is obsolete.

This, of course, is the secret of top-class design: just enough novelty to inspire coupled each season to a look which a certain type of woman knows both fits and suits her. Who has time to try out 15 different makes and cuts and shapes these days? And when clothes cost what they do if they are well made no one can afford a mistake which relegates a dress to the back of the cupboard.

The theme of this latest collection is best described, if memory serves, as lappets. Webster's Dictionary is obstinately silent on the subject, moving adroitly from Lapp, a somewhat obscure people, I would imagine, in the general mind, to lappet, which we all know about. The concise Oxford however pops in this vital dressmaking term to remind us that it is a "flap, fold, loose or overlapping piece of garment."

Well, that is what Ms Wynne-Jones has worked on. She has flapped, folded, left loose, overlapped, the delicious details of her immensely pretty and eminently wearable collection, which you can find in the best quality shops and stores across the country.

Which brings me with diffidence but optimism to my own offering to readers in search of That Dress. It is made in pure wool crepe (wovens have taken over from jersey) with a nice amount of detail, a classy look and a trans-seasonal applicability.

Although it is cut quite close and straight, a belt means that you can blouse it up at the back to conquer the typical English sway spine. You can tie that collar into a smart knot, lap it over or pin it to the sides. You can push up the sleeves. The apertures give the current wide shouldered look without undue exaggeration. Navy is prim and ritzy, scarlet could revolutionise your life, grey is the new neutral. If you buy all three colours and add a scarlet edge-to-edge jacket and ditto in navy and perm them together over your will have a number of outfits, but exactly how many I can't say because I'm hopeless at maths.



Photograph by Richard Dörner. Hair by Leonard. Shoes from Rayne 58



Photograph by Peter Akehurst. Shoes by Gianvichi, £54, from Rayne 58

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One day I shall stop interfering in the decisions of the good and great. One day I shall stop questioning the choice of awards, the allocation of honours, the mess of judges to judge, to say nothing of the fitness of those who see themselves as suitable to be judged.

That day, however, has not dawned and so, unashamed partisan, I would like to know why Hardy Amies, one of our few internationally known fashion names, and so far I know, financially viable, has not received a Queen's Award for Export.

I am aware that we are living in a new Iron Age, and glance at the selection committee does suggest a true and proper respect for ball-bearings rather than frocks; but let at the straits in which much of Britain's once great industry finds itself.

Bernard Nevill, the textile designer, never accorded R status those who are in my view greatly his inferiors.

The gallant Mr Amies still flies the flag of initiative efficiency and quality which others have hauled down all too often.

Saubs always annoy me.

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Côte de Beaune and Chablis

ON SALE NOW

Bernard Levin

Why Herr Sommer's daft deal is no substitute for unity

• The whole of the Western alliance is as much a deterrent as is the nuclear weapon; but a deterrent will only deter if it is credible •

If the Western alliance is not to become as empty a myth as the Commonwealth, which only exists as a unified group in the biennial photograph of its leaders being smiled at by the Queen, something fairly radical will have to happen fairly soon. At present, it shows every sign of incipient disintegration, a state of affairs which can only be good for our enemies.

To say that something ought to be done is, of course, easier than to suggest the details of a course of action, which is itself easier than to embark upon it. But at present we are in a state of affairs where the alliance has the advantage of having before us a proposal which, although so far presented only in outline, certainly fulfils the conditions of my definition: it would be underlain in unity it would certainly demonstrate to our enemies that they would be unwise to assume that they are faced with a tiger made of iron and paper, then at the very least with cardboard, aluminium foil and string. The proposal is that the countries of Nato and the EEC should take real, rapid and if possible unanimous action in favour of the response to President Carter's demand for sanctions against Iran and more resolute action over the Soviet annexation of Afghanistan.

In saying this, I am aware that I am presenting a view sharply contrary to that expressed editorially in *The Times* on Saturday. So be it. In recent years there have been few matters, and fewer still of great public importance, in which my views have been widely divergent from those of the paper, and it will do neither the paper nor me any harm, now that one such matter has arisen, for us to agree to differ, and for me to say plainly wherein our views part company.

The argument with which I

take issue (and of course *The Times* is not alone in holding it) runs, in its essence, like this: President Carter's policy over Iran is wrong, dangerous and almost certain to fail; we are therefore under no obligation to support it, and we should not do so; we should instead produce alternative policies, on which a good start has been made with the proposal by the EEC for a neutral Afghanistan; and that a recent article by the Editor of *The Times* (Herr Theo Sommer), in which he put forward a set of proposals which combined "the neutrality of Afghanistan with Soviet support for the hostages in Iran, Western concessions on trade and the Olympic games, and new attempts to negotiate on European missiles" made a case which "points in the right direction".

Now my view of the proposal by the Nine for a neutral Afghanistan, its integrity guaranteed by the three superpowers and the situation of the Indian sub-continent, struck me when it was made, and strikes me still, as one of the daftest ideas ever to receive the support of the British Foreign Office, which is saying a very great deal indeed. It suffers from an advanced form of a disease I have identified as arcadiaphobia, which is the belief that if somebody cuts your head off and you stick it

back on again with Grippex, you will be as good as new. But it is not so with heads and people, and it is not so with Afghanistan and Russians. The Soviet Union took military action against Afghanistan because her leaders wanted, for a number of reasons, which can be deduced but which need not detain us here, to ensure that Afghanistan would pursue policies favourable to her interests, and not other policies. The only terms on which she would withdraw now, except under pressure are terms which would provide the substance of her original demand, no matter what happened to the shadow. In other words, Afghanistan cannot be neutralised with Soviet agreement; it can only be Finlandized.

Possibly that is what the Nine had in mind: I wouldn't put it past one or two of them. But it is not what I think anybody who values the peace of the world should have in mind. If the Soviet leaders are to receive an implicit assurance that they are free to annex any country that takes their fancy, on the understanding that after a suitable interval they will end up with the country half-annexed, then we might as well start learning the Russian for "Yes, sir. No, sir, three bags full". As for Herr Sommer's extension of the Nine's proposals—well, here is the package:

... the Kremlin should side squarely with the White House in the Tehran hostage crisis. In return, the Carter Administration should renounce economic sanctions against Russia and forgo an expansion of the list of high-technology items that Western Europe will not sell to Warsaw Pact nations. If it is not too late, the Olympics boycott should be reconsidered.

The language is refreshingly unobscure: Herr Sommer (who, incidentally, is normally a most sagacious and far-seeing commentator, though you will have to take my word for it, as you certainly wouldn't be able to deduce it from that passage) really does propose that, in return for a meaningless Soviet promise of sympathy for the American hostages (meaningless because the Ayatollah Khomeini would be no more inclined to listen to reason from the Soviet Union than from the United States), the Americans should abandon every action that suggests they are determined to resist aggression, even to the extent of giving back the huge propaganda advantage that the Soviet Union would have got from staging the Olympics with the whole of the rest of the world participating and watching. Why, a more cynical man than I would reflect that it's nice to see appeasement pro-

posed by a German for a change.

But to say that it would be a ruinous and possibly fatal error to legitimize in any way the Soviet subjugation of Afghanistan is not necessarily to say that the Americans are right over Iran, let alone that the rest of the alliance America leads should do as President Carter suggests. It is clear why I think Herr Sommer is wrong: why do I think *The Times* is wrong?

Because of all the needs of the alliance—sound policies, readiness, a commitment to action in defence of any or all of its members, patience, positive and effective secret diplomacy—one is not only crucial, but seems to me to be more important than all the rest put together. It is that the alliance shall be, and shall be seen to be, united. Those italics are vital: even if we are not agreed, we must act as if we are, because if we do not the whole strength of the alliance will rest upon a general knowledge of our general readiness to defend any part of the line the alliance holds, will vanish at once. Benjamin Franklin was right: we must all hang together, or we shall all hang separately.

The whole of the Western alliance is as much a deterrent as is the nuclear weapon; but a deterrent will only deter if it is credible, and the credibility of a deterrent, as opposed to its justification, does not depend on the wisdom or the virtue of those wielding it. The only thing we need to convince the Russians of is our willingness to stand together and resist them if they advance beyond the limits they have been set. Those limits are not confined to Checkpoint Charlie, and to keep the Soviet leaders convinced that they dare not move through the Brandenburg Gate it is necessary to convince them that they should not have moved across the Afghan border. And that is why unanimous

Western action on Iran is necessary. I agree that sanctions against Iran are in themselves unlikely to bring significantly nearer the end of the hostages' ordeal, though I do not believe the possibility can be entirely ruled out. (We must bear in mind, apart from anything else, the fact that not everybody in Iran is as crazy as the Ayatollah and the "students", and that sooner or later some of the same ones may nerve themselves to do something about the mad.) And on the other hand, I do not believe that resolute and united action by the Western countries will make the Ayatollah, let alone his more moderate opponents, fall into the arms of the Russians. (It has been said that any increase in tension and instability brought about by collective Western action against Iran, even if it did not make Iranian opinion pro-Soviet, would increase the likelihood of an actual Soviet incursion. But such collective action would be designed to serve warning on the Soviet leaders that the West is sufficiently determined and united to make any such thoughts on their parts most inadvisable.)

For more than thirty years of peace and bloodstained peace, the United States has led the Western alliance, and largely financed it into the bargain. Now the Times nor I (and still less Herr Sommer) would be in a position to express an opinion at all if it had not been for the unwavering determination of the American people and their successive Presidents that the conditions in which the alliance can do so must be maintained at any cost to them. I do not, as it happens, advocate support for the United States out of gratitude, though I can make a good case for doing so. I believe we should support the United States, as President Carter has asked that we should, because in doing so we support ourselves, our freedom and our peace.

Conservative MPs are told next to nothing about defence. But we are supposed to care a good deal about it. How easy will the Government find it to cut defence spending when the time comes, as it most assuredly will? On defence, if on no other matter, ignorance is bliss. The run-of-the-mill Tory MP knows little of the subject, partly from choice (for many it is enough to wish to be defended), partly from the grudging reluctance with which the Ministry of Defence imports information of any value. Mr Francis Pym, who talks on occasion about the future of the defence, takes care to say nothing, or refuses to speculate either in the House or upstairs on the choices open to him. Those of us who do take an interest rely for our information not upon official sources but upon British and foreign journalists.

Defence decisions looming in the darkness

The Government's first Defence White Paper tells us nothing at all about the future of the deterrent. We will have to wait to see. Yet were the decision taken to replace Polaris with Trident (left) at the cost of five billion pounds—the financial consequences for British defence policy would be profound.

rearm, such as happened after Munich, on the other, this recession will deepen, prompting the Treasury to clamour for more drastic cuts in defence. Mrs Thatcher cannot wear both hats indefinitely. The dispute within the Conservative Government and party over economic and to a lesser extent social policies are real enough. The "wets", fearful lest social cohesion be lost, include Lord Carrington and Mr Pym. The Foreign Secretary would soften our approach to Europe, while the Secretary of State for Defence has fought the Treasury largely at second hand in defence of the party's commitment to increase defence spending by 3 per cent a year in real terms, and lost. Meanwhile the "hawks" talk publicly about the housekeeping and call for party loyalty.

Despite the rhetoric the Conservative Government is doing no more in defence than Labour might have done.

Will the "wets" now stand up in support of our pledged contribution to Nato while the Treasury openly clamours for its reduction? Despite the rhetoric and the invasion of Afghanistan, the Conservative Government is doing no more in defence than Labour might have done. Cuts in defence spending have merely been postponed. But were we to purchase Trident it could only be done at the expense of losing a major British defence commitment, the abandonment of which would seriously weaken the Nato alliance. We can search the White Paper in vain for such a case. The policy might be a disaster, but the rhetoric is unsatisfactory as ever. We are told nothing about what should be the successor system to Polaris, and no attempt whatever is made to spell out the financial, political and military consequences of buying Trident at a time of economic decline and growing financial stringency. We are still in the dark.

Julian Critchley
The author is the Conservative MP for Aldershot, and a vice chairman of the party's defence committee.

Michael Shanks pinpoints yet another problem for the Eurocrats in Brussels

Bad habits that are killing the commission

With the Common Agricultural Policy rocketing out of control, and an urgent summit meeting to prepare, which may determine whether or not Britain stays in the Community, one would have thought the European Commission's president had enough on his plate just now. Yet in the past week, Mr Roy Jenkins has had to take time out to deal with a demand from the Commission's staff unions that one of his four British director-generals, Sir Roy Denman, be disciplined for revealing some home truths about the institution's personnel policy.

Rightly, Mr Jenkins gave short shrift to the unions' demand. The Commission has not always been so brave. When, a few years ago, occupying the same rank as Sir Roy Denman now does in the Commission, I ventured a few much more tentative comments on some of the defects in the administration, President Ortolani and his colleagues on the Commission did not then exactly leap to my defence.

My comments were mildness itself compared to those now ascribed to Sir Roy. But it is a well-known fact that, compared to journalists, career diplomats are accustomed to expressing themselves in an agreeably carefree way. And allowing for professional hyperbole, what Sir Roy says is essentially true. The fact is that the Commission's personnel policy is a disgrace, which has done more than anything else to discredit its value as an institution. Like so many aspects of the European scene, the fault lies partly with national governments, partly with good intentions perverted by bureaucracy. The three crucial factors are nationalism, industrial democracy and job security. Of these, the first is usually regarded as

a non-controversial fact of life, and the two others as desirable objectives. Between them, they have produced a management structure in Brussels which no national administration would tolerate.

Sir Roy, in his memorandum which has got him into such hot water, focuses on one element in the situation: the virtual impossibility of dismissing incompetent staff, coupled with the fact that there is little voluntary outward movement because of the very high salaries paid to Commission personnel, especially in the lower echelons.

However, there are other aspects of the scene which are equally bad. One is the fact that, above a certain level, appointments and promotions are made not on merit, but on nationality. Policy-making posts have to be allocated between member-states in proportion to their population, and certain posts by convention are reserved for particular nationalities.

The result is that, beyond a certain level, a Commission employee sees that his prospects for further advancement in the organization may be completely blocked because he is of the wrong nationality. This is the more serious because there is little tradition within the Commission of movement between departments as part of a planned pattern of career development.

Traditionally staff have been brought into the Commission to fill particular posts and their advancement has been within a particular directorate-general. It is fair to say that the present commissioner for personnel, Mr Christopher Tugendhat, is trying hard to introduce more flexibility into the system, but it is not proving an easy task. The Commission, therefore, tends to be an administration



Two men vitally concerned in a dispute about the EEC Commission's personnel policy: Sir Roy Denman (right) has revealed some home truths and upset the staff unions; and Mr Christopher Tugendhat is trying to reform the staffing system... no easy task

of specialists, and people in it can very easily become narrow and obsessive about their jobs. The system, with its powerful clique of director-generals and its lack of inter-departmental links, encourages them to be so. For such people—especially if, like most Eurocrats, they are intelligent, hardworking and idealistic (at least initially)—it can and does generate enormous frustrations and frustrations. Some people, faced with this situation, soldier on indomitably. Some switch off, and stop working. Others become

intensely unhappy, and take to drink or drugs. Few take the obvious course, and resign. The reason is that they are seduced by the Commission's generous salaries and pensions, and too often feel after some years in Brussels that they have lost touch with their own countries. Thus the combination of national allocations of posts, generous salaries and job security, produces a high degree of job dissatisfaction and demoralization. But we now have to introduce the third element—the house unions with their

closed shop. While promotion tends to be a matter of seniority, vacancies becoming available for the right nationality, promotion within grades is negotiated between management and unions.

Every year the Council of Ministers establishes, arbitrarily, the number of promotions which can take place. The Commission staffs decisions with the unions who will fill the places allocated. Unfortunately the unions have adopted a policy of rewarding age and seniority rather than merit. One can see the reasons for this, but it puts one more hurdle in front of the young high flyer. It would be wrong to think that the Commission is blind to the waste of talent and loss of efficiency which this policy creates. It uses elaborate systems of personnel evaluation which are meant to record ability. Unfortunately, these evaluations themselves have become part of the distorting mechanism in the interests of open management, the superior has to discuss his evaluation with each employee.

Since the boss knows that he will have to go on working with the employee, and has little or no chance of removing him except under very special circumstances, he tends to write over-flattering assessments—which then form the basis of negotiations with the unions on promotion.

In fact, in most years between 90 and 95 per cent of Commission staff are promoted, which is a far higher rate than in the normal. This makes it difficult for the Commission directors to press the case with the unions that promotion should be on merit, rather than on some useful, reasonable criteria such as age and seniority in the job (criteria which, incidentally, discriminate against

employees from the newer member-states in the EEC).

All of this militates greatly against the efficiency of the Commission, and the evidence suggests that it is getting worse as the institution becomes more complex and the élan which brought it into being is slowly eroded. The Commission, originally having been created by European idealists, has since been sufficed by its own bureaucracy.

Ironically, one way of freeing up the staff sclerosis is to bring in more people on short-service secondment from member-state administrations, thus creating more mobility and easing the present trend towards gerontocracy. But this will destroy one of the Commission's ideals—that its staff should owe their loyalty not to any one member-state, but to Europe.

The problem is a deep and intractable one, and it is hard to see that the will exists to put it right. National governments prefer a pliable Commission staff, and certainly show little readiness to abandon the principle of national allocation of senior posts—which is in many ways the root of the problem. The commissioners have limited terms of office, and owe their appointment to national governments. The house unions have no incentive to change the present system.

Yet unless something is done the Commission will continue to lose credibility. Perhaps the European Parliament, which needs a strong Commission as an ally against the selfishness of national governments, will take up the issue. A weapon lies ready to hand in the Spierenburg report, which has made some useful recommendations for reform. Parliament should take these up—and quickly.

LONDON DIARY

Stopping the rot at Liverpool

With a secret, stealth and self-effacing modesty uncharacteristic of either politicians or Liverpoolians, a new political party has been born in Liverpool. The founding fathers of the Scouse National Party prefer to lurk in the shadows at this stage, because they are afraid of being taken as a joke, but their purpose is perfectly serious. The party had its inaugural meeting last month, and has so far attracted a membership of just over 20. Its declared aim is to prevent the economic and cultural life of its home city, already in a dangerous state of decay, from rotting away so completely that Liverpool becomes just another depressed northern town.

Chris McHale, a local school-teacher who has been largely responsible for the party's foundation, told me that the SNP (not to be confused with another devolutionist movement north of Carlisle) had been born out of frustration. "A lot

of people here feel that Liverpool has been left at the bottom of the pile by the Government. McHale and his fellow-members of the Scouse Shadow Cabinet had hoped to put up candidates at next month's local elections, when the whole of Liverpool City Council is up for re-election; but they felt they were not sufficiently prepared. Next time, they plan to be ready.

"We want to act as a pressure group to get more government funds directed our way. But just as importantly, we exist to try and preserve the culture of Liverpool. Once the people move out, even just down the road to Kirby, that culture becomes diluted." The party is planning its first annual general meeting on May 12, when any references to jam hutty mines, Knotty Ash or Jimmy Tarbuck will be ruled out of order. Jobs are what they want, not jokes.

Comprehensive
Making a dictionary is like painting the Forth Bridge. No sooner have you nicely defined and exemplified words than living language has moved on

and is making your definition obsolete. René Ledesert and his Scottish wife Margaret have laboured for 34 years to prepare their new edition of *Harrap's New Standard French and English Dictionary*, the biggest bilingual dictionary in the world, and yesterday they unveiled the two majestic, English-French volumes. A-K and L-Z, were published.

Measuring the size of dictionaries is a difficult and contentious business. By the strictest standards the pair of *Errols* has 100,000 headwords. If you count compounds and idioms, as some lex lexicographers do, the couple has about 350,000 headwords. Harrap, which has become an acronym in French for a dictionary, is a wonderfully comprehensive and authoritative work, particularly hot on scientific and technical words. For example, under "Punk", you have to wade through lots of stuff about *bois pourri* and *amadou* before you get to the everyday *homme sur le clavier* meaning "punk". "It's a bit of a joke," says Harrap eventually gets round

to le punk rock, and the American meaning of rapette. But it shows the meaning other dictionaries put first: con, with three stars meaning "Danger! Such words are either swear words, or highly indecent or offensive expressions, which should be avoided by the non-native speaker."

Change of image?
Readers of the *Daily Mirror* have recently been missing their regular daily nude pin-up (page 3 or 7), the piece of double-barrelled heavy artillery which the paper wheeled up to fight its circulation battle with page 3 of *The Sun*. The dropping of a daily mammary salvo follows a decision by the editor, Mike Molloy, "to see whether there was something more interesting to go in the paper" as he told me yesterday. Molloy, who used to contribute a pocket cartoon featuring a naked girl to the paper, said: "A rumour has been circulating that this is part of a policy to go unmarketed, but no decision has been taken. Newspapers change imperceptibly, and we

just decided to drop the nude for a while. She can always reappear if the demand is there." So far the only response has been from a woman reader applauding the decision. Yesterday, page three of the paper featured a story of Mr Cod and Miss Trout finding a nice place for their honeymoon, while page seven had pin-ups of the Queen Mother.

Ghost of reform
There is a dangerous whiff of revolution in the air at the Reform Club in Pall Mall; the chairman, Sir Alan Neale, has once again raised the deeply contentious issue of admitting women to full membership. Members have been asked in a letter to furnish their opinions, and the subject is likely to be aired at the annual general meeting in May. Decisions of this magnitude are never rushed in the clubland. The Reform last proposed to open its front doors to non-males in 1972, when the idea was so heavily sown upon that the life was knocked right out of it. But Sir Alan thinks it might be more acceptable now, what with many Oxford and

to accord women equal status.

But the word from the smokeroom is that chauvinism will once again win the day, even although the club treasurer could well do with those extra women's subscriptions.

It was, of course, the Reform returned, lady friend in tow, to announce his circus of the world in 80 days, a moment enshrined in the film version of the story by the veteran actor Finlay Currie's classic pronunciation: "Great Caesar's ghost, a woman in the club!"

Survival club
Desmond Sampson, a parish councillor from Edfield, near Sheffield, wants to start a survival club. He plans to hold a public meeting in his village, at which he will invite experts to provide instruction in how to remain alive in the post-apocalyptic world. Sampson, a 41-year-old banker and father of five, told me yesterday: "I am not an alarmist, or a crank. I don't know if there will be a nuclear war, but I do know

I haven't a clue how to protect myself and my family if there is one. It occurred to me that others must feel the same way, and I thought that if we formed a group, we could be given expert advice." One of the things Sampson would like to know is what survivors would do faced with electricity or water, or an gas, or a telephone. "I've been in their shoes at having no more quarterly bills in the megaton range. I should think

Billingsgate traders are angry
with Mr Michael Heseltine for letting their "fish" market be taken over by a council or his own interests, and thus preventing its swift demolition and replacement by new and more suitable premises. But they might be an easy way out for the traders: the London Fish Merchants' Association is claiming that the foundations are cracking, and that if the old fish store under the market was switched off, the shop would lead to the collapse of the 105-year-old building.

Cambridge colleges opening
their doors to all sexes. If the proposal succeeds, the Reform will become the first of the old-established clubs of its kind

Alan Hamilton



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HINA'S PRAGMATIC LEADER

ould have seemed incredible years ago—as our Hongkong correspondent reported in yesterday's paper—that the Chinese Communist Party is preparing to expel those who still to left-wing views. Among eight millions this can mean a fringe element of Maoists; on the other hand, it means all those who are not in the Maoist mould. A late leader as his opinions shape in the great leap forward and more particularly in the cultural revolution, not to the continuing years of civil struggle until his death.

reason for the sifting is the conclusion that a of this size is unmanageable. It is known that a half of more of the present leadership represents the in-uring and after the cultural tion, so that at its middle er levels the number who advancement thanks to their ism for the Maoism of the and after, rather than of ries, is very large. From reports in the Chinese far too few of them—for yet another swing of the pendulum or from con- have even now not given ull pursuit to the policies

slow process of ideologi-ting is one part of China's oist transition. There are parts that are more appar- outside observer and measurable. One is the of policy away from the style of mass involvement lives in command", class- e, endless campaigns in of an unattainable ideop-urity—and in its place centration on economic s without which all y hopes, persisting for half y and more, will be und. The other part, directly

linked to the new economic objectives, is to promote men best equipped to advance them. Mr Deng Xiaoping emerged as the commanding figure in all these changes at the third plenum of the party's central committee in December, 1978. Since then the direction of policy has increasingly been his and even more obviously so his hand. Not least, significant signs for the future were appointments last week of two new vice-premiers: Mr Zhao Ziyang and Mr Wan Li, both of them known to be close to Mr Deng.

That so much has been Mr Deng's doing, and that some of his aides suggest that he is preparing to take a back seat once he is assured that the direction of the country's affairs is in hands that will pursue the policies he has set for China's future, necessarily raises the question that still worries many of the thirty-eight million and many more besides outside the party: is this new regime, with its "revisionist" policies going to last? Or might there be yet another swing to the left that would reverse the obvious swing to the right of the past two years, bringing with it another gruesome era of retribution?

If one looks at the personalities of the four men who have made the new China: Mao Tse-tung, Chou En-lai, Liu Shao-chi and Deng Xiaoping, Mr Deng has shown himself to be the least ideological of the four. Though his outlook has undoubtedly been formed by a lifetime in the party, his main drive is as a man of successful action: above all, a man who has no taste for the woolly jargon that set going the crazy barbed of the cultural revolution. This surely makes him the right man to determine China's path in the coming decade. Even a limited knowledge of their history shows the

Chinese people to be essentially pacific, relishing harmony and cooperation rather than struggle, possessed of a strong preference for order against disorder. As a man who has resolutely turned his back on revolutionary turmoil, Mr Deng would certainly win their mass support. Yet with so vast a bureaucracy, those who enthusiastically in the cultural revolution, while only a tiny part of a politically conformist and otherwise silent population, can yet be several millions.

Such pockets of resentment, and other genuine opponents who find cause to complain of a system that they would like to reject outright, must not be forgotten in seeing the gradual completion of a China reshaped by Mr Deng. After his second rehabilitation in 1977 it was only too easy to posit a confrontation, if not a "power struggle" between Mr Deng and Mr Hua Guofeng who had, visibly and unmistakably, climbed to power thanks to Mr Deng's own eviction. But Mr Deng has avoided any such clash.

He began by correcting the excessive economic plans which were far beyond China's competence. Only then did he turn to skilful handling of the obstacles that remained, especially the Maoist following still with seats in the party political bureau. They have now all been edged out without disgrace or calamity. They have been replaced either by the more able members of the rehabilitated old guard or by newcomers to the highest rank such as Mr Zhao Ziyang. Mr Zhao was already a spokesman for a mixed economy even before his tour of western Europe last summer. If his present appointment makes him Mr Deng's choice as future Prime Minister, leaving the party leadership to Mr Hua, then indeed the new China will bear Mr Deng's stamp. It should last for some time without disturbance.

Realism on the shop floor

From the Director General, Institute of Directors

Sir, almost 12 months ago Mrs Thatcher's Government took office with the clearest possible mandate to end the imbalance of industrial power in favour of the trade union leadership.

The public demand during this period that union power must be responsibly exercised has been matched by a new realism on the shop floor. It cannot be predicted how long this mood will hold, but it would be astonishing if the Government's legislative programme failed to take advantage of it in the fullest measure. This is why business leaders look to the present Employment Bill for significant progress: on secret ballots; on review ballots; on the closed shop; and to draw back the iron curtain of financial vulnerability behind which trade unions shelter from the economic consequences of irresponsible action.

Businessmen asked to select one of three as highest priority would undoubtedly choose secret ballots. Industrial relations must be conducted on a basis of consent and not coercion. Only compulsory and secret ballots open to trades union members can provide a satisfactory consensual basis.

The Director General of the Engineering Employers' Federation suggests (April 21) that there are "considerable dangers" in such legislation. But he surely cannot question the need in principle to open up this avenue of communication between workers and their representatives.

The Institute of Directors has already formulated workable detailed proposals in this regard which form the basis of an amendment to the present Bill in the name of Mr Michael Colvin, MP.

If the amendment submitted by Mr John Browne, MP, is as suggested today, imperfectly drafted, this therefore is capable of speedy remedy. If practical details remain to be decided, these must not be allowed to restrict progress. Mr Prior should now make absolutely clear the Government's commitment to the principle of improved communication through secret ballots.

WALTER GOLDSMITH, Institute of Directors, 115 Pall Mall, SW1.

Late-night strikes

From Mr Roland Jack

Sir, London Transport staff understandably wish to protest against the increase in violence on the Underground system. Yet what action could be more conducive to aggression than the need to carry passengers by late-night strikes?

ROLAND JACK, 21 Strand-on-the-Green, Chiswick, W4.

Teachers' pay

From Mr A. D. Wood

Sir, One could almost hear the sharp intake of breath from the nation when the Clegg report's figures for teachers' pay were announced. The increase, stated in raw figures of percentages, was very generous and some teachers have hardly endeared themselves to the public by withdrawing their goodwill or demonstrating noisily before the Secretary of State.

However, neither your news items nor your leader yesterday (April 15) adequately stressed that even with the rise in teachers' starting pay is still quite shockingly low. If the Clegg recommendations are implemented, a graduate, trained over four years and amongst the top 15 per cent of the population in academic terms, will still receive less than £55 a week take-home pay. There are no "fringe benefits" in teaching, no assisted mortgage, no car allowance, no assistance with expenses to most authorities, no luncheon vouchers; the pay packet is all. Granted there are long holidays but Clegg rightly points out that these offset by longer working week in term time.

As a headmaster, I am aware that good teachers are leaving the profession, even in the South-west where conditions are good, for other reasons than that their pay is insufficient and their training and prospects are too long-term and indefinite to be attractive. Many of those leaving are from physics, mathematics and crafts since the alternative pay structure in industry are vastly more attractive.

If this Government intends to improve the standard of education in this country and especially in the technical field, then it must offer teachers a better pay structure. A teacher must be paid a salary which reflects his/her training and responsibility. How many industrial workers will be satisfied with a take-home pay packet of £55 a week in 1980?

Yours faithfully, A. D. WOOD, Headmaster, Liskeard School, Liskeard, Cornwall.

More haste

From Mr Colin Wintle

Sir, When Bernard Levin fulfils his promise to make his next journey from Agxa to Delhi as a bullock cart passenger (April 17) he will surely delight the ghost of a local physician who wrote to the *Bah Argus* in the eighteenth-century to warn us of the perils of modern high-speed travel.

In the 1780s John Palmer had introduced the mail coach, carrying only a few passengers at a higher fare than charged by the existing "slow coaches", and had thereby reduced the time between London and Bath from 31 days to a mere 17 hours. The good doctor deplored such unattractive speed and solemnly warned that if the trend continue we should all die of apoplexy.

Yours faithfully, COLIN WINTLE, 28 Ascot Avenue, Ealing, W5.

The response to Soviet expansion

From Mr Brian Thomas

Sir, Those of us who welcomed the Cold War when it appeared in 1947 will have been disappointed with Professor Louis Halle's latest reflections (April 10). In judging whether the American response to Soviet expansion in the eighteenth and nineteenth centuries is hardly of much relevance, if only because American and French empires were being created at precisely the same time. The Soviet record since 1941 is clearly in a different category, but even here the position is much more complex than Professor Halle would now have us believe.

By the time George Kennan wrote his "long telegram" in February, 1946, which, incidentally unlike Professor Halle, he now regards with "horrorful amusement", all Russia had done was to consolidate the position in Eastern Europe offered her by Churchill in his agreement with Stalin on October 9, 1944, and by James Byrnes in his endorsement of a Soviet "Monroe Doctrine" a year later.

Throughout that time the military initiative lay not with Russia but with the West, exemplified by the American monopoly of the atom bomb, by her string of air bases alongside Soviet frontiers of which Henry Wallace complained in his open letter to President Truman of July 23, 1946, by the doctrine of "containment" which characterized the Baruch Plan of June 13, 1946, and by the contemporary growth of the "preventive war" school of thought in the United States.

It was because of this that the word "containment" was used, as George Kennan himself explained, in a purely political sense. It does not bear the military interpretation which Professor Halle, and others, have since placed upon it. Military

containment came later, as a result of Stalin's reaction to the Western initiative described above.

It follows that the Soviet invasion of Afghanistan should perhaps be separately considered, coming as it did, as Professor Halle admits, after a relatively long period of stability. As I pointed out in your columns on January 12, it may have been motivated by the coincidence of unrest in the Moslem world, the redeployment of missiles in West Europe, and the continuing hostility of China. But part of the answer surely lies inside Afghanistan itself, where the excesses of the Amin regime threatened a Soviet hold begun in 1953 and consolidated in April, 1978. At that time an American initiative might well have deserved support. It hardly does so now.

Yours faithfully, BRIAN THOMAS, Hunters End, Station Road, Bentley, Hampshire.

April 15.

US hostages in Iran

From Canon J. A. Burley

Sir, Mr Cunningham's letter (April 17) suggesting that the US should have retaliated against the Iranian embassy in Washington is ingenious but naïve. The Iranians would have shot the Americans, but the Americans would not have shot the Iranians!

His proposal of an emergency conference called by the UN, however, merits serious and urgent consideration.

Yours faithfully, J. A. BURLEY, The Rectory, Little Braxted, Witham, Essex.

April 17.

Tibet and the Dalai Lama

From Mr Chris Mullin

Sir, Conditions in Tibet are not as bad as Sir Algernon Rumbold makes out (*The Times*, April 11). Last month I had a personal conversation with the Dalai Lama in India which I reported in *The Guardian* on March 27.

Sir Algernon speaks of a "famine diet" and says the delegation recently sent to Tibet by the Dalai Lama "found food scarce everywhere"; he also says that everyone, including grandmothers and little children, "have to work inordinately long hours in the fields and then endure political indoctrination and confession meetings at night".

The delegation has not yet made its report public and so I do not know what source Sir Algernon has for his allegations. However, the following is a verbatim extract from my conversation with the Dalai Lama on the points raised by Sir Algernon: "Since 1979 the general food condition has improved, the

very strong restrictions on movement have also become less, and the political meeting... usually every night, now almost no more. In the early 1960s or early 1970s there are many stories of starvation. Now not bad. Situation much improved.... As a result of the delegation's visit all these past stories are confirmed and in some cases even worse. I do not want to repeat these things. As I mentioned earlier, now is something changing, some new period."

This is not to say that the Dalai Lama finds the situation in Tibet today satisfactory. Indeed, he made clear that there will have to be many changes before he is prepared to return. It is also fair to say, as the Chinese themselves now admit, some of the conditions described by Sir Algernon did exist in Tibet, particularly during the Cultural Revolution. However, I do not feel there is anything to be gained by exaggerating.

Yours sincerely, CHRIS MULLIN, 206 Brixton Road, SW9.

Deadlock in Cyprus

From Mr Jim Spicer, MP for Dorset, West and MEP for Wessex (Conservative)

Sir, My colleague Tim Eggart (April 18) is, I am afraid, far too optimistic in his assessment of the Cyprus deadlock and its possible solution. In his letter he said there is no reason to suppose that Turkey would not be as accommodating over Cyprus as she has been "in the fundamental political decision to devalue the lira and permit foreign investment at the request of the IMF".

He should think again. The Turkish intervention in Cyprus came 14 years after the setting up of the Cyprus Republic under a constitution carefully designed to give the Turkish Cypriot minority not only individual but communal rights as well. Only three years later, in 1963, all these protections had disappeared and for 11 years the Turkish Cypriots lived in fear for their lives and their property. The bitter-

ness and fear created between 1963 and 1974 will not, in my view, be forgotten. Any final settlement will need to take great account of this fact.

By all means let us work to break the deadlock which now exists in the intercommunal talks but, in doing so, let us be realistic enough to accept that no Turkish Government could long survive an agreement which did not afford full and lasting protection for the Turkish community.

I accept, with Tim Eggart, that the West must bear its share of the blame for the events of 1974. I would ask him and his Friends of Cyprus Committee to also accept that undue pressure on Turkey would not only be counterproductive but might even drive that loyal ally of many years out of Nato.

JIM SPICER, Chairman, British-Turkish Parliamentary Group, House of Commons.

April 18.

Coming out of care

From the Reverend C. J. Offer

Sir, Lord Rantbury is right to bring to our attention the housing needs of young people leaving care (April 15), but they are not the only group of young people to experience this problem. The pressure on space in the home, the breakdown of family relationships and low incomes all play their part in creating a growing number of young people who find themselves homeless in present day society. This in itself is cause for concern, but when it is combined with our growing awareness of a link between homelessness and crime then concern must give way to action.

Already the Government has given one lead by announcing that spending on the housing needs of special groups will not be cut. If one accepts Lord Rantbury's contention that many young people fall within this category then there is an excellent opportunity for Housing Associations, such as our own, to direct some of their energies towards providing accommodation for young people, with rents fixed on a non-profit making basis.

The problem comes with those young people who need more than

simply accommodation. For them we need to be thinking in terms of transitional housing, which is not just another home or hostel, but combines a degree of independence with minimal supervision. But because of the staff costs involved accommodation of this kind can only be provided at a reasonable rent if other bodies, whether statutory or voluntary, are prepared to underwrite some of the additional expenditure. In places this is beginning to happen, but there is still a widespread reluctance to recognize the needs of the young homeless.

This problem is not new, but if any real progress is to be made it requires a national initiative to stimulate the different organizations into coming together to help reduce the problem. The opportunities are there, and it would be tragic if they were lost simply because no one will officially admit that a young person who is homeless is vulnerable.

Yours sincerely, CLIFFORD J. OFFER, The Stonham Housing Association Ltd, (Southampton Branch), 45 Portsmouth Road, Southampton, Hampshire.

End of student reveals

From Mr H. C. Catiss

Sir, Your leader writer of April 16 is correct in noting that several universities have disaffiliated from the National Union of Students because of dissatisfaction with its political outlook, but he still refers to "the student voice", as though the heterogeneous opinions of a million students could be distilled into a cogent and unified viewpoint.

It was partly in protest at such an assumption that as Secretary to Trinity College Union, I led a campaign which led to our own college disaffiliation: we were concerned that NUS does not confine its attention to specifically student issues; though the political budget may be small, it is still these general political campaigns (and the tactics employed) which have earned the student movement a bad

name. The tangible benefits from our £2,000 subscription were minimal.

I was therefore pleased to read of NUS's commitment to a concentration on student issues: but actions speak louder than words, and Mr Aaronovitch will need to do more than to propose a conference "delegates" for their appalling behaviour to win back this college. Widespread moderation is necessary—and that includes lobbying the Government (this year's claim for a grant increase of over 30 per cent was both unrealistic and selfish): if Mrs Thatcher is deaf to William Sims, she is likely to be less than sympathetic to Mr Aaronovitch unless he is a great deal more pragmatic than his predecessor.

Yours faithfully, H. C. CATISS, Trinity College, Cambridge.

Ensuring the best of hospital care

From the Chairman of the Association of Community Health Councils for England and Wales

Sir, Your report by Arthur Osman (April 15) entitled "Best hospital care for women least in need" highlights an important issue. All too often deprived groups in our society are denied access to medical care as well as a range of physical and social amenities and jobs. To reverse general deprivation and poverty is bound to be expensive but to selectively blunt the worst suffering by positive discrimination in medical care is much more possible.

The Central Birmingham Community Health Council study that you report makes clear the three ways in which current medical practice in Birmingham deprives inner-city patients. First of all the patients are not admitted to the modern teaching unit; second the teaching unit creams off resources and this further deprives the inner city; and finally the next generation of doctors are not trained to even know that the problems of the inner city exist. The Government is currently asking whether separate consumer representation in the form of Community Health Councils should be retained in the Health Service. It must be abundantly clear that issues such as the inner city exist in your report would never see the light of day were it not for independent consumer representations. The report concerned makes use of statistics from a variety of sources and required many months to complete.

We could hope that the occasional enlightened community physician might draw attention to such problems but there is no mechanism by which the members of health authorities could present a suitably argued case to their authority even if they suspected that the problem existed.

If our Health Service is to direct its resources at real problems it must have an independent consumer input. It would be foolish to expect the customers to run the business but no enterprise is successful if it has no way of knowing what its customers want. That is the essence of the case for Community Health Councils and the reason why those who care about the future of the Health Service in this country should support the future of Health or the Minister and say that Community Health Councils should be retained and given a stronger voice.

Yours faithfully, R. K. GRIFFITHS, The University of Birmingham, Department of Social Medicine, Health Services Research Centre, The Medical School, Edgbaston, Birmingham.

Loving with the mind

From the Reverend Barry Morrison

Sir, In his articles on the ashram of Bhagwan Shree Rajneesh at Poona (April 8 and 10), Bernard Levin enthuses over the rejection of the mind in favour of love. He even claims that this was "the business of Christ".

This is in flat contradiction to the Judeo-Christian tradition. Jews and Christians are commanded to love God with their mind as well as with heart, soul and strength.

Moreover, the test of love is not just a sense of peace and wellbeing, however wonderful and attractive, but character and service to those in need. I trust your readers have sufficient discernment to prefer the love of Martin Luther King, to that of Rajneesh, especially in the light of these words of his from a recent article in *Yoga Today*: "Remember one thing: work as diligently as possible at becoming more conscious. Forget about character. Character is a concern for the stupid and the mediocre. Let your whole concern be consciousness."

Yours sincerely, BARRY MORRISON, Chaplain, The Polytechnic of Central London, 104/108 Silver Street, W1.

Violence of youth

From Mrs M. B. Taylor

Sir, Mr David Green (April 17) asks those who make moral judgments on the subject of the violence of youth, which he ascribes to the strains of urban existence.

The picturesque countryside of north Oxfordshire is dotted with numerous attractive and prosperous villages and hamlets. As in all rural areas today there is an almost total lack of public transport outside working hours, but most villages have a shop, a pub or two, a village hall, playing fields and a sports and social club. In these circumstances, housing, public and private, is good; yet, litter, vandalism, theft and even violence occur not as isolated instances, but with alarming regularity.

Perhaps Mr Green could make some comment helpful to the troubled inhabitants of these communities?

Yours faithfully, M. B. TAYLOR, Sam's Hill Cottage, 47 North Street, Middle Barton, Oxford.

Transport of delight

From Mr Alexander Schouvaloff

Sir, Recently I travelled on the "Continental" by train: on the "Ambrosiano" from Milan to Florence, on the "Aurora" from Syracuse to Rome, on the "Lutetia" from Milan to Paris. Other romantic names for trains are the "Rheinhold" from Amsterdam to Vienna, the "Chopin" from Vienna to Moscow, the "Romulus" from Vienna to Rome.

Instead of our having to travel here on anonymous Inter-City trains, could not British Rail entice us on to the "Brunel" to Bristol, the "Beatrix" to Liverpool, the "Barbirolli" to Manchester, and others?

Yours faithfully, ALEXANDER SCHOUVALOFF, 59 Lymington Grove, SE15.

THE TERRORISM OF THE STATE

important point about the on Argentina by the Inter-american Commission on Human is not so much its appalling though they are, been known for some time tually the military govern- set about its campaign terrorism, so that the t of killings, torture, ons and "disappearances" he past few years serves as confirmation of earlier t. The new element is the at the account is given by sited inter-American insti- an arm of the Organiz- American States, and that ased on an extraordinarily g inquiry, conducted in ll glare of publicity in na. When the commission Argentina last September y out its investigations it ed more than 12,000 com- of disappearances at the of the authorities, people d up in the streets to give ce, and apart from meet- with the authorities its ers were able to go into ions and talk to opponents regime.

The commission was also attacked by government supporters, who accused it of ignoring the reasons for the anti-terrorist campaign, which were the power and ruthlessness of the terrorist movements. Even if there had been violations of human rights, it was argued, they were justified by the need to suppress terrorism. In its public reply to the commission's report, the government has taken a similar line, accusing it of being one-sided. But the commission has rightly taken the view that there is a fundamental difference between violence by private groups and officially condoned groups by government agents; and that its business is to look into official misdeeds. It finds that though there was a need to combat terrorism, the military government's response after it took over in 1976 led to "numerous and serious" violations of human rights. It is impossible to know how many people may have disappeared after being abducted, it comments, since it could be anything between 5,500 and 20,000.

Argentina will now have to face criticism from other mem-

bers of the OAS when the organization's general assembly meets later this year. More important, however, is how the government responds in its internal policies. As the report notes, there has been a considerable reduction in the number of rights violations since last October, and there are grounds for hoping that the situation may improve further. By agreeing to admit the commission last year, the government lifted a veil of silence from the human rights issue and made it a legitimate subject of public discussion. But any decision of this sort, apparently taken by the moderate members of the armed forces, is always fiercely challenged within the regime by the hardliners, and in view of the past record of the government as a whole it is hard to be confident of the outcome. What can be said for certain is that the Argentine military government has a great deal to answer for, and a large number of people to account to. It is not just a matter of ending the abuses but, as the commission recommends, of investigating and punishing those that have taken place in the past.

"But that", my father replied. "was the Duke of Gloucester."

Later when I heard the Prince discussed at Ballis, or in after-dinner conversation, it was only with respect and admiration, and we were the people who knew best.

Yours truly, ANNE L. MARTIN, 60 Marygate, York.

A salute

Mrs A. L. Martin was sorry to see that Hugh Omerly-Massingberd in his obituary notice of a new book the late Prince Henry, Duke of Gloucester, chose to give his own writing by playing down achievements of a very fine and gentleman.

during the summer of 1935. I remember walking with my father, then a Brigadier and the holder of the DSO and MC from the First World War, who was in civilian dress, when a very handsome young officer in uniform mounted on horseback and rode towards us. My father took his hat and bowed to the father of the salutation, "Good ground with you, Sir." "Since when", I morning, Sir. "Since when", I asked slightly annoyed, "have you asked a mere major as Sir?"

April 18.

THE TIMES

BUSINESS NEWS

Ingredients in
Japanese
steel makers'
success, page 21

Stock markets
FT Index 441.1, down 1.6
FT Gilt 67.0, up 0.32

Sterling
\$2.2330, up 1.3 cents
Index 73.2, up 0.2

Dollar
Index 88.7, up 0.2

Gold
\$497.50, down \$15

Money
3 mth sterling 174-175
3 mth Euro-S 161-174

IN BRIEF

Indicators confirm slide into recession

Official indicators of cyclical trends in the economy fell on Monday. The Central Statistical Office published the index for February and they confirmed the general view that the economy is sliding into recession.

The leading indicator, which is supposed to foreshadow changes in the economy by a year, the leading index fell last month for the tenth month in succession. It now stands 11 per cent below its level in May.

Shorter-leading indicators, which are more sensitive to changes in the economy, fell in January and February, while the coincident indicator, which is supposed to follow economic activity by several months, fell by 1 per cent in February and March. It has now fallen for the fourth month in succession.

Japanese venture

Royce and Japanese Engines, a 50-50 joint venture, formed to develop a new engine, the RJ500, for aircraft with between 150 and 200 seats, held its first meeting in Derby. Royce was elected chairman.

Wing needs rise

Net borrowing requirements of industrial and commercial companies went up from £1.5 billion in 1978 to £2.34 billion in 1979, according to figures published yesterday by the Statistical Office.

Inquiry

Enquiries into the affairs of the department of stock exchange by the fraud squad in London will not be completed at least until 1981. The inquiry followed a year-long investigation by the Stock Ex-

000 orders

Wall Engineering, part of the Slough-based firm, has secured orders worth about £500,000 with contracts for offshore facilities and one for a ship.

Prices pay agreed

A deal giving rises of up to 4 per cent to 47,000 pottery workers has been signed in Trent. It was accepted by members of the Ceramic Union in a ballot.

Reserves limit

Gold reserves amounting to \$10 billion will run out in 40 years if no new tin is found, Mr Paul Leong Seong, the Malaysian industry minister, said in London. Current world consumption is 125,000 tons.

Locked out

Hundred manual workers at a rise of £25 a week of Ipswich's largest engineering companies, Ransome & Rapier, were locked out after a campaign involving 24-hour strikes and overtime refusal to move equip-

British National Oil Corporation records profit of £75m for 1979

The four-year-old British National Oil Corporation made its first profit of £75m last year. Set up by Mr Eric Varley when he was Secretary of State for Energy to give the state direct share in offshore oil, the corporation in 1979 still needed to borrow a net £82m from the Government to finance its development.

But since last autumn, the BNOC has been making a net contribution to the Exchequer. By June 1981, it will have paid off £400m (£181m) of the £825m (£373.3m) raised from a consortium of United States and United Kingdom banks.

By the end of the same year, cashflow will have been sufficient to repay all the £451m taken so far from the United Kingdom Government through the national oil account set up specially to finance its activities.

The Government has said it intends to invite private capital into the offshore interests of the BNOC. According to the annual report published today, the corporation's share of recoverable offshore reserves stood at 800 million barrels.

Legislation is expected to be introduced in the next session which would allow at least £700m of shares equal to a third of the North Sea assets were sold.

In his annual report, Mr Ronald Utiger, chairman of the corporation, appealed to the Government to introduce private capital in a way which "retains the capacity of the corporation to serve the national interest as well as the public and avoid the danger of total upheaval every time Government changes".

Dr David Owen, the Opposition spokesman on energy, has threatened to renationalize any sale of shares in the BNOC.

Mr Utiger said yesterday: "I am convinced that anything that is done is done so that BNOC does not become a political football".

Mr Utiger stressed the success of BNOC last year. It had achieved the target of profit before tax of £75m in 1979. It had drilled more exploration wells than any other operator in the North Sea and had brought oil to the United Kingdom during the world shortage caused by the Iranian curbs which might otherwise have gone elsewhere.

Exploration expenditure which rose 40 per cent to £32m last year, is to go up another 25 per cent to £40m this year. Capital expenditure in total is to run between £150m and £350m over the next few years.



Mr Utiger: BNOC should not become a political football.

The BNOC has an interest in eight fields either under production or in development. Its share of their total cost is estimated at more than £1,600m.

Projects in the near future will include development of its discovery on offshore Block 30/17b. Tenders have been accepted for the design of a production system.

Further appraisal of drilling is under way to test the best way to exploit new reserves found near the Thistle field, and more appraisal of the place on Marathon's recent gas and gas condensate find in Block 16/3a in which it has a stake.

Development of 16/3a, however, will not take place for some time. The corporation expects to bid as part of six or eight consortia formed to apply for the seventh round of licences expected to be announced for oil and gas exploration before the end of the month.

The Department of Energy is believed to have decided to offer 100 blocks rather than the 70 originally planned as a result of pressure for extra acreage from the industry.

The pipeline from the Thistle field, which was damaged by a dragging anchor earlier this month, near where it links to other systems at the Dunblair platform, should be repaired between May 15-20. Production from the field is being diverted to tankers loading offshore.

Bank strike called off after parity settlement

By David Felton
Labour Reporter

The pay dispute which has seriously disrupted banking operations throughout the country was last night called off after a settlement was reached on the pay of the 68 messengers employed by National Westminster Bank.

After day-long talks in London, the Banking, Insurance and Finance Union instructed its members on strike to return to work immediately. The union estimated that yesterday more than 5,000 messengers and engineers were on strike and said that since the strike began last Tuesday a backlog of 10 million cheques had built up at NatWest.

The union called the strike after NatWest refused to give messengers under the age of 30 pay parity with unskilled maintenance staff. BIFU asked that a minimum salary of £3,750 should be awarded to all messengers over 21, and in yesterday's negotiations the bank agreed to this and the parity payments are being staged over two years.

The bank had been reluctant to concede the parity claim because it feared it would have an effect on other age-related pay scales and influence the pay of thousands of other bank employees.

Mr Robert Johnson, one of BIFU's London organisers, said last night: "This was certainly a great victory for the union which has matured and come of age today".

BIFU members were not instructed to strike in support of the messengers, but received union backing if they did stop work. All five major clearing banks were affected by the action and the union said that the Access credit card computer centre at Southend had been stopped when union members walked out.

Among other computer centres out of action were the Lloyds and NatWest centres in London. The union mounted a picket outside the Bank of England to prevent bullion being moved. Bank cash centres, which issue money to branches, were also hit in several parts of the country.

With messengers on strike and drivers of security vans, who are members of the Transport and General Workers Union, refusing to cross BIFU picket lines, cheques could not be cleared. It will take some time to deal with the backlog of cheques waiting for transmission.

The union is in the middle of annual pay negotiations for clerical employees in the banks, and the employers believed that the messengers' dispute was influencing these negotiations.

EEC concerned that American reluctance to contribute may endanger substitution account

From Peter Norman
Luxembourg, April 21

European monetary authorities are becoming increasingly concerned that the United States is not prepared to make a sufficient contribution to get the planned substitution account at the International Monetary Fund off the ground.

Speaking after a meeting of EEC finance ministers today, Signor Filippo Pandolfi, the Italian treasury minister and chairman of the IMF's interim committee, said that the issue of the United States carrying an appropriate burden in the substitution account was one of the key points of the scheme to diversify in a monetary fund. The interim committee meeting in Hamburg later this week.

Signor Pandolfi disclosed that the finance ministers had agreed at an informal meeting in Sicily over the weekend that the European Community must now play a more active role in recycling the surplus wealth of the oil-producing nations.

The substitution account, the main point for discussion at this week's Hamburg meeting, is intended to bring the world a little closer to a reform of the international monetary system.

It is intended to enable countries with huge dollar reserves, such as the oil states, to diversify in a monetary and orderly manner by exchanging dollars for assets denominated in Special Drawing Rights (SDR).

The idea has several attractions. While bypassing the volatile foreign exchange markets, it could lead partly to a consolidation of dollar reserves and could ease the pressure felt by countries such as West Germany, which in recent years have seen their currencies assume reserve currency status in a haphazard fashion.



Signor Filippo Pandolfi: active role for Europe



Sir Geoffrey Howe: American participation essential

The main problem is that someone, somewhere must carry the exchange rate risk of converting dollars into an SDR asset comprising a basket of currencies. The fear in Europe is that the United States wants this risk covered entirely by the gold holdings of the IMF.

It is understood that the ministers, in agreeing a statement to be issued by Signor Pandolfi in Hamburg, concluded that the substitution account would have to be backed up by a contribution from the United States as well as IMF gold.

Sir Geoffrey Howe, the Chancellor of the Exchequer, said after the meeting that the ministers had come to no precise conclusion on what the Americans should contribute, but that it was clear that a substitution account without United States participation would not work.

West German delegation sources were suggesting that the IMF might put up 30 million ounces of gold, worth at present around \$15,000m (about £5,700m) to cover the risks in the account.

Such suggestions beg questions as to the United States contribution and the eventual size of the account. The West Germans were suggesting an initial account of \$20,000m compared with IMF proposals for a \$50,000m account and the entire world dollar reserves of around \$192,000m.

The substitution account might therefore appear to be a relatively small scale response to the problem of the world's excess dollar reserves.

But Signor Pandolfi stressed that it could bring much wider benefits by constituting a big step towards the creation of a

new monetary system and by introducing stability and reducing turbulence on world currency markets.

The substitution account is the only subject for discussion in Hamburg. The proposals are being flanked by a package of measures to help the position of the less developed countries, which have expressed reservations over the proposed use of IMF gold to guarantee a scheme that will benefit the rich countries with excess dollar holdings.

Signor Pandolfi said the meeting will also have to discuss how to implement and support supplementary financing facilities for less developed countries, the way in which conditionality is applied in respect of poorer countries and how to lower the cost of various facilities for this group of countries.

Although the substitution account is not intended as a recycling instrument, the possibility that the United States might torpedo the scheme by failing to give it financial backing appears to have guided the EEC ministers' thoughts towards the recycling issue.

At the informal meeting in Sicily, Signor Pandolfi was reported to have invited his colleagues to think over the implications of Europe possibly paying for its oil in national currencies, a mixture of currencies or the European currency unit.

Another idea put forward was that the Opec states should pay the Europeans to carry out development work in the Third World.

Signor Pandolfi emphasised today that the ministers did not discuss specific recycling methods. But studies have been set in train and the issue will clearly be followed up with proposals being presented at one of the European summit meetings scheduled for later this year.

BL joins European makers in research

By Peter Waymark

Six of Europe's leading motor manufacturers, including British Leyland, are to join forces on long-term research. The other companies are Renault and the Peugeot-Citroen-Talbot group from France, Volkswagen of Germany, Fiat of Italy and Volvo of Sweden.

The agreement, announced yesterday, will be submitted for approval shortly under the European Community's monopoly legislation and a joint research committee has been formed to coordinate and allocate research programmes.

Specialists from six companies are already working on likely areas for research, such as combustion, heat transfer, aerodynamics, the properties of new materials and quality control.

The programmes will cover basic technology only. The agreement does not envisage the development of common products, such as vehicle components. It is also stressed that the six companies will continue to compete against each other.

The move is interpreted as an attempt by European companies to reduce costs and to become more efficient in the face of increasing competition from the American multinationals, Ford and General Motors, and the Japanese.

A study by Eurofinance, a Paris-based research organization, predicted that Europe could become a net importer of cars as early as 1983. It also predicted a reemergence of protectionism.

A joint statement said that, although product development was specifically excluded from the agreement, it was hoped that all the companies' products would benefit, particularly in energy conservation, reliability, safety and environmental protection.

BL's contribution to the research will be organized by the company's advanced engineering group, BL Technology, of Kingston, Warwickshire.

Relief will apply to half the capital cost of a new project and three-quarters of the cost of extensions to existing projects. The aim will be to help private sector projects involving schemes costing between £20,000 and £250,000. However the board will be willing to examine projects costing more than £250,000.

It was hoped to generate a total investment this year of about £30m.

Derek Harris

Record profits of £386m by Ford show 60 pc increase on the year

By Andrew Goodrick-Clarke
Financial Editor

Ford maintained its reputation as the only highly profitable mass car manufacturer in Britain last year with a profit of £386m. This was nearly 60 per cent higher than in 1978 and is the second year running that Ford has achieved record figures.

One factor was a dramatic improvement in the number of days lost through disputes. Against an average of 31,000 days lost during the four years to 1978, Ford lost only 1,000 days during 1979.

This obviously led to an improvement in productivity. Measured by the number of units produced per employee, Ford pushed up the figure to 10.4 units during 1979, against 8.6 units in the previous year. By comparison, each BL worker produced 3.9 units last year.

On the other hand, Ford is a substantial importer, particu-

larly of cars. Last year, partly because of a strike in the previous year which caused a backlog of imports, 248,550 of the 485,559 cars built by Ford were imported.

Ford's profits (which would be reduced to £293m under current cost accounting) were achieved on record sales, 35 per cent higher at £3,195m, the first time the company has topped the £3,000m mark. This in turn reflected record unit sales of 834,000, against a previous peak of 712,000 units.

Capital spending, which included spending on the new engine plant in south Wales, was £34m during the year, the second of a five-year, £1,055m spending programme.

Commenting on the figures yesterday, Sir Terence Beckett, Ford's chairman and managing director said that despite a record first quarter for sales in the British car market the company expected a downturn this year.

The forecast drop among

industry sources is from 1.7 million car units to 1.5 million. But Sir Terence said that Ford is "determined to match our 1979 volumes. This means that we need to increase our share to more than 32 per cent of the United Kingdom car market" and so far we are on target.

Referring to Ford's high import ratio, Sir Terence said that some imports, such as those of the Granada and Capri models, were the result of planned company decisions but many were not.

"We must continue to raise the level of productivity in British plants if we are to get the most benefit from the popularity of our vehicle ranges".

Ford's wage bill last year totalled £631m, compared with £535m in the previous year, a period which included the worst strike in the company's history. The company's parent in the United States received dividends of £135m against £76m in 1978.

Liggett wins state court order

From Anthony Hilton
New York, April 21

Grand Metropolitan's stop-go bid for Liggett, the American drinks and tobacco company, was stopped again today. The Liggett board, which is bitterly resisting the £415m (£180m) offer, won an injunction in court in Wilmington, Delaware, which prevents the British food and hotels group from buying more Liggett shares or doing anything else to further the bid.

Liggett's shares, which had been suspended at the company's request pending the announcement, resumed trading on Wall Street shortly before lunch. They opened unchanged at \$44.

GM Sub Corporation, the Grand Metropolitan subsidiary involved in the bid, is registered in Delaware, and Liggett also

has interests in the state. Under Delaware company law, a bidder has to wait 20 days after announcing his intention to bid before the offer can be officially launched.

But federal law, administered by the Securities and Exchange Commission in Washington, has directly conflicting requirements. Rules adopted by the commission last December after the passage of the Williams Act in Congress require that a bidder launches his offer no more than five days after announcing it.

So in complying with federal law, Grand Metropolitan inevitably ran foul of the rules in Delaware.

The bid will go into limbo for five days until a hearing on the injunction scheduled for next Friday morning in Wilmington, at which the judge

will decide whether to force the British company to comply with the 20-day waiting period.

Asked if complying with Delaware law would bring Grand Metropolitan into conflict with the SEC, a member of the tender offer department said that it was the SEC's position that federal law took precedence, but that in this case because the offer had been officially launched there should be no problem.

It may mean however that Grand Metropolitan has to extend its offer for a longer period than originally intended.

Grand Metropolitan's lawyers in New York had no comment on this latest development, but a spokesman pointed out that the company last week successfully overcame similar conflicts with state law in New Jersey and North Carolina.

Safest companies 'are most successful'

By Our Labour Staff

The most safety conscious companies are those which tend to be commercially successful, according to a report published yesterday by the Health and Safety Executive.

The report contains the findings of a five-year study by the Accident Prevention Advisory Unit into health and safety measures taken by companies throughout the country.

It says that management characteristics needed to achieve high standard of health and safety are the same as those required for efficient production and one of the main reasons for failure by some companies to take effective measures was the lack of involvement by senior management.

Mr John Locke, director-general of HSE, said: "I

believe that the report provides information which will be of real value to directors and managers, and particularly to those with specific responsibility for health and safety in their organizations."

The report says there is growing evidence that companies are now realizing that health and safety are management decisions ranking equally with others they take.

PRICE CHANGES

Trad. S 15p to 64p	Largo 18p to 52p
4 Bikes 26p to 112p	McLary L'Almeida 18p to 19p
3p to 31p	Ultramar 18p to 60p
Whitely BSW 22p to 16p	
30p to 55p	Wms J. Cardiff 5p to 35p

Transvaal £14 to £16	Baglan Prop 4p to 3p
Rel Corp 8p to 38p	Reverax 3p to 3p
13p to 78p	Centrust 3p to 27p
15p to 45p	Wellcom 15p to 62p
15c to 51c	W Rand Cons 11p to 27p

THE POUND

	Bank	Bank
	buys	sells
Libra 5	2.07	2.00
Libra 5	2.07	2.00
Libra 5	2.07	2.00
Libra 5	2.07	2.00
Libra 5	2.07	2.00
Libra 5	2.07	2.00
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Libra 5	2.07	2.00
Libra 5	2.07	2.00

Interest scheme should attract private finance

Light relief for the tourist industry

Tourist boards are to be allowed to offer interest relief grants for tourism development projects. The plan should reduce the cost of borrowing by around 3 per cent on half the total capital borrowed. The scheme will apply in England, Scotland and Wales.

It would allow the tourist boards to use their limited funds more effectively and encourage the use of private sector capital.

Mr John Note, Secretary of State for Trade, said when he announced the move yesterday in the House of Commons.

Capital grants towards tourist projects will continue to be made by the tourist boards, but the government allocation for the English Tourist Board (ETB), disclosed yesterday, is, in real terms, a

reduction on last year's allocation. The board will be allowed to distribute just under £4.3m in capital grants, loans or on the interest relief scheme this year, compared with £4.17m given in grants and loans last year.

Because of its limited resources for meeting the increasing demand for capital grants, the board temporarily halted applications for this form of aid at the end of last year. Now capital grants are being restarted, although only urgent schemes will receive aid before June when assessment of the likely demand for help under the interest relief scheme is expected to be completed.

Loans were likely to be given only in "exceptional circumstances", Mr Michael Mon-

ague, the board's chairman, said.

The interest relief scheme will offer a 3 per cent reduction on commercial money rates for a four-year period. However there will be an optional gearing offering higher relief for the first two years.

Relief will apply to half the capital cost of a new project and three-quarters of the cost of extensions to existing projects. The aim will be to help private sector projects involving schemes costing between £20,000 and £250,000. However the board will be willing to examine projects costing more than £250,000.

It was hoped to generate a total investment this year of about £30m.

Derek Harris

1879 1979

We celebrated our Centenary Year in a very special way!

Sales were again a record at £137m—with exports up 39.4%.
Profits were the best ever at £8m—with a 30% rise overseas to £4.5m.
Our Automotive and Industrial activities both increased sales and profits despite difficult conditions at home and overseas.

Earnings per share were up again to 9.32p—with the asset value at a record 86.9p.

Dividends were increased 20% to 2.63p per share—covered 3.5 times.

...and our second century has started well
we believe that Group profit for 1980 will be higher than in 1979.

For a copy of the Report and Accounts and the Chairman's Statement, please write to the Secretary, BBA Group Limited, P.O. Box 20, Cleeve, West Yorkshire BD19 5HP.



Needed by every industry.

BBA Group Companies include: BBA Automotive Ltd - Mirax Ltd - Scandura Ltd
Creswell's Automotive Company Ltd - Sovon Marshall Ltd - Pagnia - Fiberglass Ltd
Comprehensive Computer Services Ltd - Railco Ltd - BBA Properties Ltd
Overseas Subsidiaries in West Germany - France - Spain - United States - Canada - Australia and South Africa



Christies Year

Increased worldwide sales advances pre-tax profits to record £6.2 million

Results for the year ended 31st December, 1979

	1979 £'000	1978 £'000
Turnover	24,848	20,103
Profit before taxation	6,201	5,629
Taxation	3,033	3,674
Attributable to minority shareholders	(38)	(24)
Profit after taxation and before extraordinary items	3,129	2,931
Extraordinary items	-	(78)
Profit after taxation and extraordinary items	3,129	2,853
Dividends	1,229	928
Retained profit	1,900	1,925
Earnings per share	15.28p	14.32p
Analysis of Sales		
Total worldwide sales	125,682	98,922
Overseas sales	52,881	36,947
U.K. sales	72,801	61,975
Overseas		
Holland	2,045	1,851
Italy	2,395	1,970
Switzerland	16,593	13,199
U.S.A.	31,783	19,865
Australia	65	262

"The progress of the Group's activities has been maintained during 1979 resulting in auction sale totals of £126 million compared with £99 million in 1978. The plans to increase our sales capacity are now coming to fruition and our principle saleroom in New York goes from strength to strength.

The expansion undertaken during the past three years will be consolidated during 1980 with the object of restoring margins to their former high level. The prospects for the first half-year are good with important sales planned in all our major salerooms."

Christies International Limited

Please send me a copy of your Report and Accounts for 1979.

Name

Address

Committee rejects compulsory registration of tourist accommodation Official hotel list plan 'too costly'

By Derek Harris
Commercial Editor

Compulsory registration of tourist accommodation, including all hotels, has been dropped as an option for at least three years by Britain's tourist organisations. Instead, present voluntary registration systems will continue, with tourist boards working together towards a consistent classification system for the whole of Britain.

This follows a report yesterday by a consultative committee, chaired by Mr John Beavis of Strathclyde University, which concluded that the time was not ripe for a statutory registration system to be introduced. The case for statutory registration was "not proven", the Beavis committee decided.

The decision is a blow for the Scottish and Welsh Tourist Boards, which have supported the idea of compulsory registration, as the surest way of pro-

viding the public with the fullest information about tourist accommodation.

The Welsh board backed the idea because of its unhappy experiences with a voluntary system which the board began more than ten years ago. Less than 50 per cent of establishments in Wales have consistently offered details for the board's register, which appears in various publications.

Last year there was only a 40 per cent response out of a total of around 12,000 establishments. To be accepted for the register means a hotel or other establishment offering accommodation has to abide by various minimum standards which are set according to the type of accommodation, ranging from top class hotels to farmhouses.

The English Tourist Board, on the other hand, has supported the idea of voluntary registration which has also been the pre-

ferred option of the British Tourist Authority. The authority commented: "We feel the present scheme is working quite well."

The main objection to a compulsory scheme is the cost of getting it started. It had been feared that a disproportionate number of administrative staff would be needed to cope with the volume of work involved.

The Beavis committee pointed out that a statutory system of registration ought to include adequate checks on standards so as to ensure consumer protection. This would add to the administrative costs.

But the committee did point out that a significant and increasing number of major tourist countries have brought in some form of compulsory registration and that statutory registration is well established and operating successfully within the United Kingdom in

Jersey, Northern Ireland and the Isle of Man.

"Funding a compulsory system would not be easy. Government aid is unlikely to be forthcoming, and if registration fees were set to cover the costs it would probably mean a heavy imposition on the trade initially.

The tourist boards should develop the voluntary system the Beavis report urged. The need for a consistent basis for registration was also emphasised by the committee, with a review of the system after three to five years.

The boards were also urged to develop a common classification system under which hotels and other establishments which met particular standards, would carry special mention in published lists.

A statistical survey to establish what tourist accommodation exists in Britain should be considered by the Government.

UK electronics industry accused of being too scared to tackle Japanese

By Edward Townsend

Britain's electronics industry came under attack yesterday from leaders of the nation's machine tool manufacturers for failing to supply up-to-date control systems and for being "scared" of Japanese competition.

Speaking at a preview in Birmingham of Mach 80, the largest international machine tool exhibition to be staged in the United Kingdom, Mr John Halbert, president of the Machine Tool Trades Association, said that Britain lacked the "electronic infrastructure" to allow machine tool makers to combat foreign competition.

Too many machine tool manufacturers were doing work on electronics that they ought to be able to buy "off the shelf" he said.

Mr Halbert's comments followed a recent report from the machine tool economic development committee, which said it would welcome the entry into the market of "a major United Kingdom electronics manufac-

turer with the strength to look to next generation equipments and market them worldwide."

Predominant features of the exhibition, being staged at the National Exhibition Centre and displaying products from more than 40 countries, are numerical and computer-controlled machines. Many are manufactured in the United Kingdom, but most are equipped with electronic control systems from Fauc of Japan, General Electric and Allen-Bradley of the United States, or Siemens from Germany.

Mr Halbert said: "We in this country were first in the electronics field, but for too long this has been treated as a boffin's paradise."

"The electronics industry has got the resources but it is so scared that the Japanese are ahead."

There was a need for a concerted and joint approach by the major machine tool companies to the General Electric Company and perhaps Racal to encourage development of new

systems which would leapfrog the foreign competition.

The competitiveness of the British industry was hampered severely by the fact that the price of electronics from Japan was up to 40 per cent higher than that paid by Japanese machine tool manufacturers.

"Too many of our top industrialists are becoming merchant bankers rather than investing in new products," he said. "Some small companies are beginning to show the way and I hope that the giants will follow."

The 11-day exhibition, which is to be opened today by Mr John Nott, Secretary of State for Trade, features the products of 1,386 companies, including 354 from the United Kingdom, 276 from West Germany, 152 from Italy, 124 from the United States, and 50 from Japan. Equipment on show is valued at more than £100m.

Trade delegations are expected from France, Spain, Norway, Czechoslovakia, Hungary, East Germany, South Africa, India, Korea, China and Japan.

Midlands' support for BL is growing

By Clifford Webb
Midlands Industrial Correspondent

The Prime Minister, on his first-hand news of the growing support in the West Midlands for the stubborn fight being put up by Sir Michael Edwards, BL chairman, to save the state-owned motor manufacturer.

Mr J. L. Brown, president of Birmingham Chamber of Industry and Commerce told Mr Edwards: "Despite all the problems of the moment, a sense in every level of management and in a strong resolve to see things through, and a strong enthusiasm for the potential of the new BL models in the pipeline."

He said regional support for BL involved a wide spectrum of local life. It included not only the large motor companies and the small suppliers and processors who could be three or more "removes" from BL, but also the man in the street.

Support was also shown by the fact that BL had a 30 per cent share of the car market in the West Midlands compared with around 20 per cent in other parts of the country.

Mr Brown urged the 1,000 businessmen attending the chamber's annual banquet to boost BL's regional sales further. They should ensure that their companies tried to open up a foreign competitor.

Welcoming recent government changes in regional policy, he told Mr Edwards that unemployment and social problems of urban areas in the Midlands and the South were more serious and more dangerous than those in the main less populated areas.

The "sticks and carrots" regional policy, he argued, was the West Midlands much of its feed corn to co-ordinate industrial and technological change.

He reported a "hint of silver lining" to offset the clouded economy shown by the chamber's latest survey. Through out four companies expected to hold or increase their labour force during the next three months.

Shell gives warning of shift in markets

By John Huxley

Petrochemical industries in western Europe face a "race against time" to restructure production during the 1980s, according to market forecasts from the Royal Dutch/Shell Group.

They suggest that western European producers will be left with a smaller share of world markets at the end of a decade which will bring a new challenge from manufacturers in South East Asia.

Shell's analysts say restructuring will produce changes in employment—both as a result of job-cutting and relocation of plant—which should be made easier by government assistance.

The report, produced for the group's subsidiary companies, gives a warning that the process of adjustment will prove doubly difficult because it must be done quickly and against a background of growing competition.

At present world petrochemical production is shared among western Europe (30 per cent by value); North America (25); centrally-planned economies (25); Japan (10); and the

rest of the world with 10 per cent or less.

Western Europe's share would be reduced because of its lower industrial growth compared with other areas, higher costs of feedstocks and the attempts by other economies to build up their own petrochemical industries.

There would be competition from the eastern European and Middle East producers, as well as from the United States, where producers had an artificial, competitive advantage.

However, the Shell report adds that: "It is quite possible that in the 1980s the spotlight may shift from the oil-exporting countries in the Middle East to South East Asia."

"It is significant that among the most successful new producers of recent years have been Taiwan and South Korea, which have no feedstock advantage but do have ready and rapidly developing local markets."

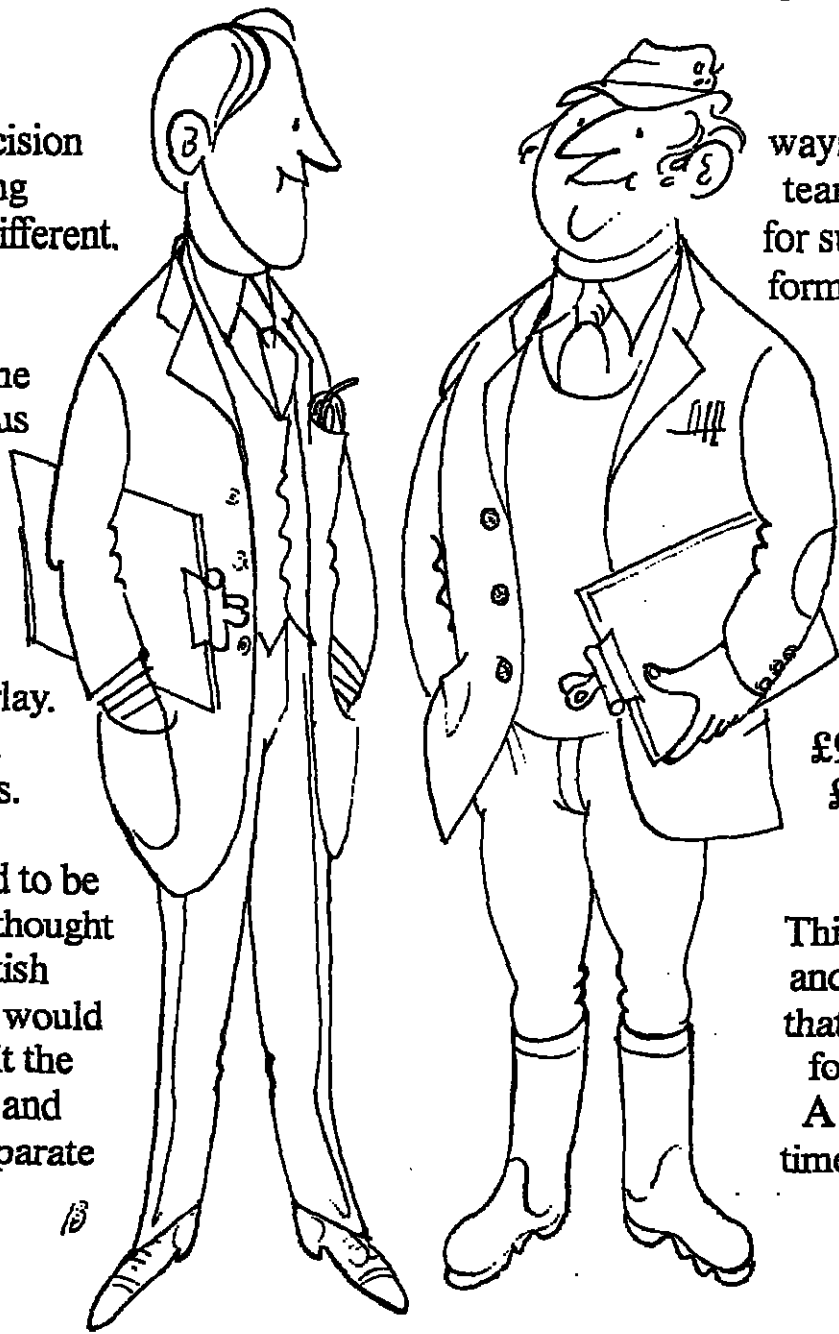
"The petrochemical industry is also developing in Singapore. The import of all these countries on finished product markets may also increase."

Two heads are better than one...

IT'S not often that a split decision wins, as they say in the boxing business. But our business is different. Both sides can still be on the winning side.

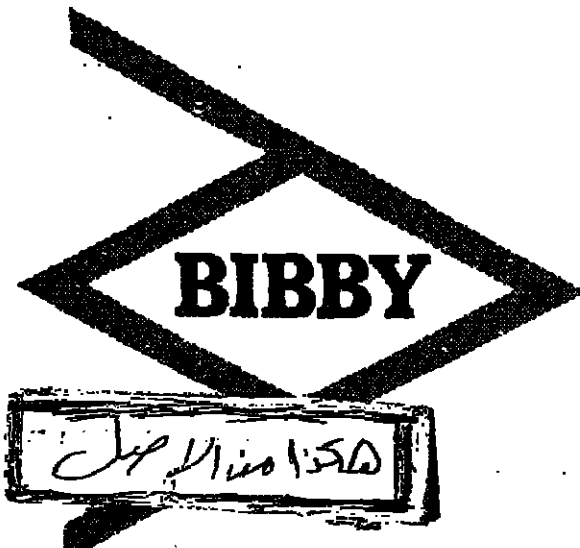
Feeds and seeds has been one of the most-used labels tied to us at Bibby, but we're the largest maker of sterile papers for hospitals and textile printing. We're also the largest producer of special purpose papers for use in carpet underlay. Then we have our edible oils, farming and turkey businesses. They're big too.

Because all businesses tend to be swings and roundabouts, we thought two years ago that, in the British economic climate, two heads would be better than one. So we split the company into two. Industrial and Agricultural. Both go their separate



ways with strong management teams, but lean on each other for support. Together they're a formidable team. So, although the industrial group had a tough time of it in 1979, what with road haulage and engineering strikes, the team effort produced sales of more than £188 million. For the fifth year running our pre-tax profit was a record—£9,705,000 compared with £8,400,000 in 1978 and a good deal better than the market was expecting. This is a rise of 15.5 per cent and allows us to recommend that a final dividend of 6.25p for the year should be paid. A rise of 91 per cent on last time and covered 5.23 times.

...which is why we stay ahead



CHAIRMAN, LESLIE YOUNG, REPORTS ON THE YEAR ENDED 29 DECEMBER 1979:

"During the year the equity capital was restructured, involving a share split and a bonus issue of shares. Shares are now in units of 50p."

"The Agricultural Group had an excellent year with improved efficiency and a better demand for animal feed. The Industrial Group had a harder time coping with the drivers' strike in January and the engineers' strike in August."

"But this year has started without the disruption of 1979 and the results in our management accounts are in line with our budget. I am confident about the outcome for the year."

"May I extend to all shareholders a warm welcome to the Annual General Meeting at the Adelphi Hotel in Liverpool on Thursday, 15 May, at 12.00 noon, when I hope to have the pleasure of meeting as many of you as possible."

Copies of the report and accounts may be obtained from The Secretary, J. Bibby & Sons Limited, Richmond House, 1 Rumford Place, Liverpool L3 9QQ.

Call to curb one-way trade in cars

By Peter Waymark

Stronger action by Britain and the European Community against the Japanese and east European motor industries' one-way trading policies was urged last night by Sir Barrie Heath, president of the Society of Motor Manufacturers and Traders.

He said that Japan and eastern Europe had been helped in building substantial industries by a lack of competition from imported cars on their home markets. Other countries were doing the same.

"Europe and other genuine free trade nations must be aware of the threat to their markets and manufacturing industries from imports from such countries. In a period of slack in world car sales, however, short, countries like Italy and Britain and their EEC partners have a duty to seek ways to protect their own industries and employees from unbalanced competition."

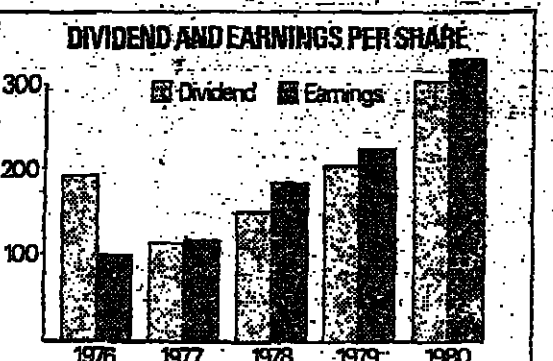
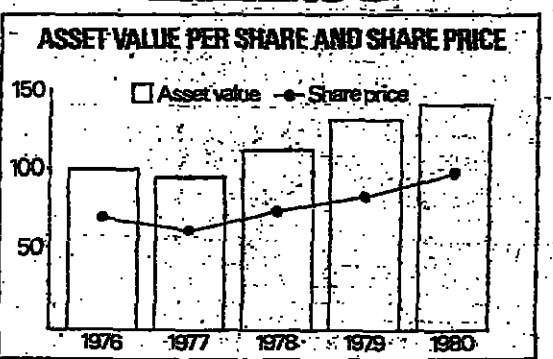
Sir Barrie, speaking at a British motor industry reception in Turin, called for continuing pressure to open up all overseas markets. Vigilance was necessary to ensure that products from other countries were not allowed to come on to our markets at unrealistically low prices.

"The occasional token purchase of European components or technology, accompanied by a public relations fanfare, is a compensation for the flood of complete vehicles from behind the closed doors of the one-way trade nations."

Queen's awards

Seven companies were not included in yesterday's published list of those which have won a Queen's award for export achievement. They are Rank Xerox, Raychem, Rediffon Simulation, Redler Conveyors, Reynolds Medical, Stewart Ross and Company and Round Oak Steelworks.

The Mercantile Investment Trust Limited



	1980	1979	% change
Assets per share:			
prior charges at redemption	624p	584p	+8%
prior charges at market	664p	624p	+7%
Earnings per share	2.76p	1.89p	+46%
Dividends per share	2.52p	1.70p	+48%

Copies of the Report and Accounts may be obtained from the Company at Bucklebury House, 11 Walbrook, London EC4N 3DG.
The Annual General Meeting will be held at The Chartered Insurance Institute, 20 Aldermanbury, London EC2N 7HY, on Tuesday, 22nd April at 12 noon.

Coal conference will look to the future with confidence

April 21.—Forecasts of coal production will be the focus of the first meeting of the International Coal Industry Advisory Board (ICIAS) to be held in Paris this week. The purpose of the meeting, which will be held on Tuesday and Friday under the auspices of the International Energy Agency (IEA), is to provide a forum for leaders of coal producing and consuming countries to discuss the future of coal and its use in the world.

The United States will continue to be the world's largest coal producer, with its share of supply rising to nearly 50 per cent by the year 2000 from 44 per cent in 1978, the report says. Between 5 and 10 per cent of American coal production will be earmarked for export.

European coal production, which accounts for 26 per cent of the world total in 1978, is expected to rise to 35 per cent by the year 2000. Europe's production, representing 13 per cent of the projected total, will meet only about 60 per cent of local demand, the report says.

It points out that expanded transportation facilities will be needed both for growing international movements, particularly to Europe and Japan, and for domestic shipments within the United States. Net volumes of coal imports from the Soviet Union, Eastern Europe and China are expected to increase, but will remain at less than 3 per cent of world demand.

Mr Lantze emphasized the need for close cooperation between the coal industry and government. "While governments provide the framework in which the national economies and new energy systems develop, the responsibility for getting the job done rests with industry," he said.

The two-day meeting will try to bring answers to a number of questions, such as the likely "realistic" energy contribution expected from coal to the end of the decade, the major constraints impeding an expanded role for coal as an energy source, and prospects for future international coal trade.

This new energy policy focus is based on the conclusion that coal production and use must triple to meet the world's growing energy demand between now and the year 2000. Apart from IEA experts, the meeting will be attended by 33 representatives from coal companies, electric utilities, steel, and manufacturing enterprises, and national coal and electricity boards. —AP Dow Jones.

projects metallurgical coal to grow at a rate of 2 1/2 per cent up to the end of the decade. Coal demand for electricity generation is also expanding, but at lower rates in the last few years of increasing imports of oil and gas.

ing to the Exxon thermal uses for expected to reverse line and grow at 5 per cent annually in the 1980s, re-bought higher oil prices allowing coal use in power plants.

greatest constraints on coal arise from environmental problems and the overhauling them. The report adds that some of the major environmental concerns will be the projected demand for coal.

markets are at risk. The British could lose opportunities in orders in lucrative markets because of the failure to pay for the oil. Mr Cecil Parkinson, Minister of State for Trade, is speaking on his visit to the Arab Emirates and where he was accompanied by a group of British businessmen.

Mr Parkinson said that there were still excellent opportunities for British firms in the UAE and other Gulf States. He said that the UAE and other Gulf States were still excellent opportunities for British firms in the UAE and other Gulf States.

Ex-Haw Par chairman in court appeal. Singapore, April 21.—British businessman, Mr Richard Turling, today began new court proceedings in an attempt to clear his name over his conviction for company law offences.

Mr Turling appeared in the Court of Appeal on Monday after he was freed from Changi prison, where he was sent last November by Singapore High Court. Although on bail, he had agreed to serve the six-month sentence to speed the appeal process, and won a two-month remission for good behaviour.

Speaking to reporters outside the court, he reiterated his innocence and expressed the "firm conviction" that no offences had been committed. His appeal was against a conviction for company law offences. Mr Turling was convicted on five counts of breaking Singapore company law when he was the chairman of Haw Par Brothers International, a subsidiary of the Slater Walker group.

He was extradited from Britain after a two-year legal battle and his trial in the Singapore High Court lasted 65 days. The five charges against him were that in the 1972 and 1973 company accounts Haw Par failed to reveal a profit of some \$7m (about £3.16m) which it had made in share trading on the Hongkong stock market during an exceptional share boom in 1972.

The Slater Walker executives who were running Haw Par devised a scheme to "tuck the massive profits away" in a wholly-owned unit trust, the trial judge had said.

But Mr Turling today told the court that Mr Turling, who was in Singapore for only a few days in 1972 and 1973, could not have known all that happened in Haw Par. The appeal hearing is expected to last five days. —Reuters.

A commitment to seek profitable growth worldwide

Extracts from Mr. Daniel Meinertzhagen's Statement.

The Annual General Meeting of Royal Insurance Company Limited will be held in Liverpool on 14th May, 1980.

1979 Results

The total profit before taxation for 1979 fell by £21.5m to £131.5m reflecting a marked downturn in the underwriting result for the year which was a loss of £16.5m compared with a profit of £25.4m in 1978. A contributory factor to the turnaround was the abnormally high level of weather losses. We estimate that these exceeded even the relatively heavy weather losses of 1978 by some £15m, the major part of the increase coming from the United States, United Kingdom and Caribbean.

Competition has remained strong—in some areas it might appear irrational—and we have continued to maintain our policy of resistance to excessive rate cutting. Whilst we are fully aware that this policy has led to some restraint on the rate of increase in our premium income in particular areas and classes of business, we nevertheless firmly intend to maintain our position overall as a leading international company by active development of business wherever we see prospects for profitable growth.

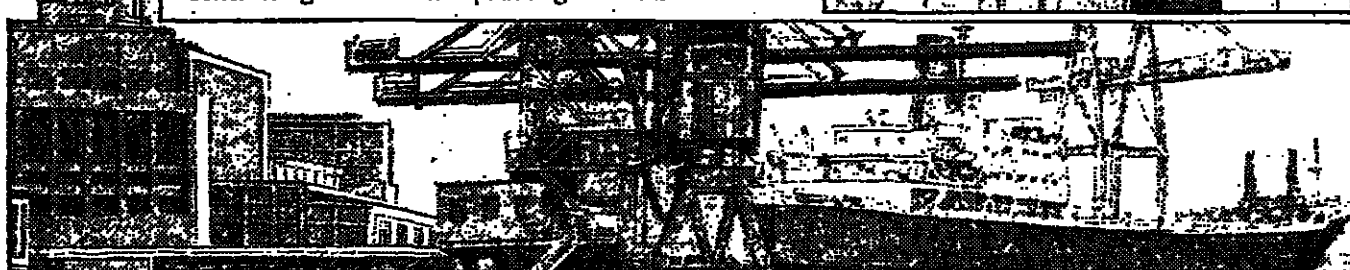
In contrast to the underwriting deterioration, which was not peculiar to our company but affected most of the major insurance markets in the world, we secured a satisfactory growth in investment income from £120.7m to £133.0m, an underlying increase of 18.3% after excluding the effect of exchange rate movements. This, together with good increases in the contributions from long term insurance and from associated companies, produced a not unreasonable profit before tax of £131.5m.

Dividend Recommendation

A final dividend of 13.25p per 25p unit of stock is being recommended, making a total for the year of 21.5p representing an increase of 14.5%. As our record shows we are a company which has a progressive dividend policy. Our ability to pursue this policy must, however, be consistent with the need to maintain a sufficient level of capital and free reserves to support a growing business and this means retaining a substantial proportion of our profits in the company. In 1979 the overall result was such that we were able not only to maintain our dividend policy but also to transfer £48.6m to reserves.

Exchange Control

Whilst the exchange control authorities in the United Kingdom have always been most understanding towards the needs of insurance companies because of the valuable contribution they make to the United Kingdom balance of payments, I welcome the total abolition of the regulations. This has enabled us to repay some of the foreign borrowings which, under those regulations, we made for the purpose of expanding in overseas markets and which, otherwise, we would not necessarily have made. More importantly perhaps, we shall have a greater degree of flexibility and fewer inhibitions when considering our worldwide planning in future.



Life Business

The life fund will be valued annually from 1980 instead of triennially. To pave the way for this change we carried out a transitional valuation covering two years 1978 and 1979. The change to an annual basis will give both our policyholders and stockholders the benefit of the most up-to-date valuation and declaration of surplus from our increasingly important life operation. We strongly support the continuing practice of successive Governments of allowing policyholders to receive tax relief on those life assurance policies that are maintained in force for a reasonable number of years and which are designed to provide life assurance protection and long term savings.

The Changing Environment

At the start of a new decade it is appropriate to reflect on the 1970's. For Royal Insurance, and the insurance industry as a whole, it has been an era of tremendous change. On the political front we have suffered from nationalisation



Summary of Consolidated Results

	1979 £m	1978 £m
General Insurance Premiums Written	1,225.1	1,220.1
Earnings		
General Insurance Underwriting Result	-16.5	25.4
Investment Income on Stockholders' and General Insurance Funds	133.0	120.7
Stockholders' Long-term Insurance Profits	7.7	4.4
Share of Associated Companies' Profits	7.3	2.5
Profit before taxation	131.5	153.0
UK and Overseas Taxation	56.8	64.5
	74.7	88.5
Balance of Stockholders' Long-term Insurance Profits 1975/78	7.2	—
	81.9	88.5
Minority Interests	0.9	0.3
Net Profit attributable to the Company (per 25p unit of stock)	81.0 (53.9p)	88.2 (58.7p)
Appropriations		
Dividends		
Supplementary for previous year	—	0.2
Interim	12.4	10.9
Proposed Final	20.0	17.3
	32.4	28.2
Total (per 25p unit of stock)	32.4 (21.5p)	28.4 (18.9p)
Provision for Employee Share Scheme	—	0.4
Transfer to Retained Profits	48.6	59.1

and faced growing nationalism in some parts of the world. There has been an increase in governmental involvement from rate-making processes and a growth of regulation of our business. At the same time the boundaries between private and state insurance have shifted, generally in the direction of the latter.

An important aspect of social change has been the growth of consumerism. This we have learnt to live with but we are disturbed by the general lowering of standards of conduct reflected by increases in crime such as burglary, vandalism and arson. This change in behavioural pattern has, I believe, had a more profound effect on our business than may have been generally recognised.

Furthermore, economic circumstances have meant that we have had to operate in an environment where inflation has at times accelerated rapidly and in the last few years in many parts of the world has reached unprecedentedly high levels.

The fact that our Group has been able to respond successfully to these challenges and has emerged well placed to face the future is due in no small part to the firm and dedicated leadership of Mr K M Bevins

who has been our chief general manager for the past ten years. I am sure stockholders will join me in wishing him a happy retirement from this exacting post. I am glad we shall continue to benefit from his advice as a non-executive director.

The outlook for the 1980's would suggest that they will prove to be no less difficult and we are fortunate that in our new chief general manager, Mr J J Howard, and his executive colleagues we have a team which will be more than equal to the challenge.

Staff and Agents

I would also like to take this opportunity on behalf of stockholders and the Board to thank our staff for their readiness to participate fully in the changes which have taken place. It is our objective to run a successful insurance business. The cornerstone of this objective is the knowledge and experience of our management, staff and agents around the world whose dedication and enthusiasm is our most valuable asset.

Please send me a copy of the Report and Accounts for the year ending December 31st, 1979.

Name _____

Address _____

To: Registrar's Dept., Royal Insurance Company Ltd.,
New Hall Place, Old Hall Street, Liverpool L69 3EN.

The City Offices Company Limited

Extracts from the Report and Accounts for the Year 1979

Pre-tax profits have increased for the fourteenth successive year and exceeded £1.39 million. Dividends paid have been increased from 2.84p per share to 3.00p per share.

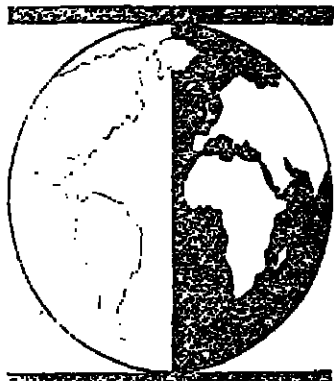
The freehold of Sperry House, Bristol was acquired and Voyager House, Poole, a freehold office building was also purchased during the year.

Properties were professionally revalued as at 30th September, 1979 at £29,968,000 producing an unrealised surplus of £10,396,977.

Summary of Results	Year ended 31st December	1977	1978	1979
£000	£000	£000		
Gross Income	1,353	1,529	1,820	
Profit after Taxation	602	1,118	1,069	
Dividends	397	732	809	
Profit retained	205	434	260	
Earnings per share, net	2.82p	4.56p	3.97p	



Royal Insurance



Arab insurer rejects Gulf 'war risk'

The Arab Reinsurance and Insurance Group (ARIG) will charge rates at "the world standard" and will not set a war risk premium on the Persian Gulf.

Shaikh Hamdan Bin Rashid al-Maktoum, United Arab Emirates (UAE) finance minister told Reuters at a ceremony establishing the company, that he disagreed with a Lloyd's decision last week to impose a war risk premium on ships loading in the Gulf.

He said the founding members of the company, which would provide 5 per cent of the capital, underwriting \$1,000m each.

Aid for car men
The United States labour union of the car industry has urged the government to help car makers by increasing imports.

Textile orders up
Order inflow to the West German textile industry was up 11.4 per cent in February from 1979, according to the textile industry association.

Brazil tax package
Brazil has introduced a tax package to curb imports and make foreign loans more attractive.

Trade deficit widens
Japan's customs clearance trade deficit widened sharply to \$2,020m (about \$1,400m) in the first 10 days of April from a \$2,145m deficit in the same March period.

Italy's inflation
Signor Giorgio La Malfa, Italian budget minister predicted that the average inflation rate will rise to between 20 per cent and 22 per cent in 1980.

\$2,000m plant
A \$2,000m polyethylene plant is to be built by Exxon at Jubail in eastern Saudi Arabia.

Buses from MAN
MAN, announced in Munich a DM 165m (£38m) contract for 500 double deck buses for Baghdad, Iraq; a DM 100m (£22m) contract for 210 buses in Seattle, United States; and a DM 6.5m (£1.5m) contract for 60 buses and 20 chassis for Auckland, New Zealand.

Oil markup protest
American oil companies were marking up their oil prices by more than 400 per cent, Senator Ernest Hollings claimed in Washington. He said a survey showed a production cost of \$2.14 for a barrel selling at \$10.40.

Researchers find poor economic prospects for synthetic substitutes

Costly future of alternative fuels

A bleak future for energy costs was forecast by Dr Frederick Clarke, the research director (energy) of Harwell laboratory last night.

Nothing can be done to prevent synthetic fuel substitutes for natural gas and oil from costing much more in real terms than at present, it only because of the higher processing costs, Dr Clarke said in a lecture to the all-party Parliamentary Liaison Group for Alternative Energy Strategies.

Substitute natural gas from coal will probably cost about 60p a therm delivered against natural gas at 25p a therm in 1979, according to Dr Clarke. Synthetic liquids will cost much the same.

The alternative of replacing natural gas directly by electricity would cost more than 100p a therm delivered. Limited quantities of electricity will

be available at the cheaper off-peak prices.

The effects of these fuel price rises can be offset to some extent by investing in more efficient equipment to convert the fuel, or in insulation. For example, investing in a gas-fired heat pump will probably provide much cheaper space heating than using substitute natural gas in a gas-fired central heating boiler.

Dr Clarke said that although the emphasis would be on heating systems and not just fuels, "these systems will not be able to return us to the present comparatively cheap costs of meeting our needs for heat".

At present, the total cost of space and water heating for a typical semi-detached house is about £350 a year in 1979 prices.

Even with improved insulation and new heat pumps that cost £500 a year in equivalent prices when natural gas runs out,

according to Harwell calculations. Even to achieve these figures there will have to be greater emphasis on investment in more efficient capital equipment.

In industry, commerce and institutions the handling and strong disadvantages of coal will probably be less apparent than for domestic users.

Although coal will also be more expensive, the general assumption is that it is the only option which is anywhere near today's oil and gas costs. Dr Clarke concluded that the incentive for using fuel substitutes should be high.

Examining the main renewable energy sources, Harwell scientists regard so-called passive heating as the most promising solar energy technology for the United Kingdom.

Typically houses are built facing south, and have large areas of double glazing, high insulation standards and high thermal

inertia on the house fabric. An optimistic estimate for a house not overshadowed by trees or other buildings is that perhaps 20 per cent of the annual heating load can be met in this way. Active solar heating, using solar panels and pumps would have to be cheaper before it became generally economic.

Dr Clarke said: "Generally, the future lies in a plurality of means of meeting our needs for heat with perhaps several different systems being used together in the domestic commercial and institutional sectors."

"The problem will be that investments which are perceived as economically attractive from a national viewpoint may not be economically attractive from a private viewpoint where short pay-back periods are frequently sought."

Patricia Tisdall

New savings body aimed at the young

The Scottish Money Management Association, the natural successor to the defunct National Savings Committee for Scotland, officially came into being yesterday. Its aim is to strengthen the awareness and importance of financial matters to young people in Scotland.

When the National Savings Movement was disbanded throughout the United Kingdom in 1978, talks began in Scotland and in England and Wales to devise some kind of organization which would continue the educational role which had been developed by the National Savings Movement.

The Scottish Money Management Association is the outcome. It has the backing of most of the financial institutions in Scotland, including the Associated Scottish Life Offices, the Scottish Clearing Banks, the Scottish members of the Unit Trust Association, the Scottish Trustee Savings Bank and the Scottish unit of the Stock Exchange.

All the members have been asked to contribute £2,000 initially to help to establish the new organization. But what is needed most, Dr D. M. McIntosh, the secretary, says is "enthusiasm and interest".

A research project into the effect of teaching money management concepts in primary schools has already begun.

A Money Management Association for England and Wales is planned, but it is taking longer to get off the ground.

Nexos in Germany

Nexos, the National Enterprise Board's office systems subsidiary, is to set up a German offshoot later this year with headquarters in Frankfurt. This is in addition to the marketing arrangement with Göttinger and Terminal Mart covering Scandinavia, Benelux, Switzerland and Austria.

Wind energy turbine could aid fuel conservation for shipping

A return to wind-power for ship propulsion—not by sails but by windmill-type systems, augmented by a standby power unit—appears to be feasible on certain routes, according to a recent study completed for the Ship and Marine Technology Requirements Board of the Department of Industry.

The study was carried out by Atkins Research and Development, the Epsome-based consultants, with the Medina Yacht Company of Cowes and others. It investigated the use of a modern, vertical-axis wind turbine mounted on the deck of a ship which could convert wind energy into both mechanical power and direct thrust, according to wind conditions.

Technology News

This sort of turbine which would enable a vessel to head directly into wind, although slowly, was proposed by Air Commodore C. T. Nance of the Medina Yacht Company.

A conventional standby power unit would be required so the ship could maintain reasonable voyage times in calm weather.

An economic comparison was completed for the St Helena Shipping Company, based upon the route now run by the 4,000-tonne vessel St Helena between the United Kingdom, Ascension Island, St Helena and Cape Town. This showed that for a wind-turbine ship of comparable size, an average of 12 knots could be achieved and a saving of 40 tonnes of fuel made over the two-month voyage.

By trading-off these fuel savings against the extra cost of running the turbine, the report concluded that the concept was economically viable on windy routes. However, much more work would be needed to obtain practical experience of operation and control. Working with the Atkins team on the project were staff from the yacht company, the

Timekeeping by temperature

The American-based Bulova watch company has perfected a miniature cell capable of generating electricity caused by differences in temperature.

The device, developed at the company's Bienville plant in Switzerland, is the result of three years' research and development by the watch manufacturers and although the unit could have many applications it will be used at first to power quartz watches.

The cell is called a thermoelectric generator and is able to harness the temperature of the body to provide between 8 and 12 microwatts which is at least a factor of three times the power necessary to drive a watch.

The design has completed its initial test trials successfully in larger men's watches. No experiments have yet been conducted in smaller women's watches although Bulova is confident that such developments will take place in the near future.

The company is convinced the discovery will give it an edge in a competitive market for which Bulova already manufactures about 3.5 million watches annually and gives a turnover of \$210m.

Microprocessor servicing

Giltspur has announced an initial investment of £150,000 to establish a new business within its engineering company, Giltspur Engineering Design, to complete in the service area of the microprocessor market.

The new group, Giltspur Microprocessor Systems, will be

based in Newbury, Berkshire, and will provide a comprehensive consultancy and design service for all microelectronic and microprocessor applications for a number of different industries.

The engineering group already provides industry with a range of design and consultancy services in all the major engineering disciplines—a source of expertise which will be available to the new microprocessor group.

The new business group will provide a complete range of services catering for every type of microprocessor user and the services will be divided into four main categories—tailor-made training courses, feasibility studies, the design of microprocessors into existing products and the manufacture and installation of the necessary microelectronic or microprocessor equipment.

According to the company, its aim is to provide British industry with assistance in tackling the "technological challenges of the 80s".

Although Britain still shows a marked reluctance to use microprocessor techniques it is the market which will be tapped by the new business group. The group has business for a turnover of £250,000 by the end of its first financial year on March 31, 1981.

Kenneth Owen and Bill Johnstone

US to hold wide inquiry into steel price protest

Washington, April 12.—The United States International Trade Commission (ITC) seems prepared to start a wide inquiry into its efforts to determine if steel imports have injured the domestic steel industry.

While the commerce department studies US Steel Corporation's allegations that steel-makers in seven European nations sold steel product here at unfairly low prices, the ITC must determine if and to what extent these sales injured the domestic steel industry.

Under the trade law, a preliminary ruling from the commission is due on May 5, 45 days after US Steel filed its complaints against steel producers in Belgium, West Germany, Luxembourg, France, Italy, the Netherlands and the United Kingdom.

Mr Charles Ervin, the commission's operations director, indicated during two days of preliminary hearings last week that he was prepared to consider several factors, which could tilt the case against US Steel.

One major factor is last week's labour agreement between the nation's nine largest steel companies and the United Steelworkers Union. The new three-year contract offers wage increases of 30 per cent to 37 per cent, depending on the inflation rate, and will keep the steelworkers among the highest-paid industrial workers in the United States.

Mr Ervin, in a pointed question to US Steel lawyers, asked if that kind of wage rate was indicative of an injured industry and asked if the industry could control its labour costs.

A second factor that could go against US Steel is the impact during the last two years of the Government's trigger price mechanism, which established a minimum price for imported steel, based on Japanese steelmaking costs.

Also weighing against US Steel is the Commission's decision to investigate possible injury only during the past three years, which will show an industry on the mend from the last recession, culminating in sizable profit improvements for several big domestic producers.

Crucial to the outcome of US Steel's complaint is whether the Commission will lump together the impact of steel sold by seven European countries. US Steel argues that the European Community acts as a single entity in its steel export policies and should be considered as a bloc.

Steel production up 1 per cent in 1979, but production in the 29 member countries of the International Iron and Steel Institute totalled 41,127,000 metric tons, up 7.1 per cent from 38,405,000 metric tons in February.—AP/Dow Jones.

LETTERS TO THE EDITOR

Unmarked imports and job losses

From Miss Brenda Dean

Sir, I was interested to read the letter (April 11) from Mr K. G. Williams of the Federation of Clothing Designers and Executives and his plea to educate people to look for that label "Made in the UK".

It is so right, but there needs to be a label on the goods in the first place to look for. The problem we are facing in the paper and printing industry is that people are buying imported paper, greetings cards and books and do not even know that they are imported.

This is because there is no country of origin printed on these goods and furthermore no legal requirement to do so.

The effect has been—as we have seen with the massive importation of Russian greetings cards over the past year—employees in the industry being made redundant. Over 40 of the members I represent have been made redundant as a direct result of the Russian cards coming into the UK.

Multiply that up in the rest of the card manufacturing business in this country, and the other areas of unmarked im-

ports and we have an idea of the damaging effects on jobs and the lives of our people.

And yet, the Government is not prepared to do anything about it, because, I quote from a reply to me from the Prime Minister's office on this question: "I do not think it would be right to consider legislative action under the Trade Descriptions Act, 1968, to compel these cards to be marked on the basis of what are primarily trade protection arguments. Such a course would almost certainly run us into difficulty in relation to an international obligation."

"Trade protection"—what about the protection of our jobs and the obligation to the British people? Or do we moan in the printing industry have to wait until irreparable damage has been done before these unmarked imports before the Government acts?

BRENDA DEAN, Secretary, Manchester Branch, Society of Graphical and Allied Trades, Sheridan House, Great George Street, Salford, M3 6EH.

Stabilizing Third World goods prices

From Mr Larry Trimby

Such is the idea behind helping the Third World pay its way found in providing a steady market for the goods produced by the poorer, developing nations, rather than sending more aid?

Such is the idea behind the system outlined by L. Clare Grondina in his book *Economic Stability is Achievable* (Hutchinson, Bantam 1975) which received power support from Sir Roy Hare when he advised the International Monetary Fund.

The system envisages a formation of a United Kingdom stabilization corporation to create ready to buy or to stand ready to offer to the world a market for the goods demanded of it. On no account would it intervene in the market; hence its difference operation from that of a buffer stock.

An initial reference price is given to a commodity based on the previous five-year average price. The corporation stands ready to buy at 10 per cent below reference price and, when it holds stocks, sell at 10 per cent above. If a floor to the market is created close to the low price and, when stock is held, a ceiling close to the high price.

Each commodity is given a block volume roughly equivalent to the United Kingdom imports of that commodity one month. As each block accumulated so the buying of commodities is automatically reduced by 5 per cent; a number of blocks reduce prices reverse by 5 per cent.

The corporation would deal in sterling hence, a primary objective would be to stabilize sterling and prices of industrial goods in the United Kingdom. If this could be attained, then it would go some way towards bringing economic stability to producers, which, in turn would encourage overseas investment.

The benefits of this system to the developing countries have been well put by Prof Sir Lord Kaldor: "Mr Grondina's proposal would create powerful automatic stabilizers for adjusting the growth demand to the growth of supplies of primary products through its success in the effective demand for industrial goods... in the long run it is the supply of basic materials which would set a limit to the rate of growth of the industrial production as now, as the rate of growth of effective demand, emanates from the advanced countries which governed the trend of growth of investment and production of primary commodities."

Yours faithfully, LARRY TRIMBY, 25 South Cliff, Bexhill-on-Sea, Sussex TN39 3EH. April 7.

Labelling origin of goods

From Mr J. C. MacChesney

Sir, I was very interested to read the letter from Mr K. G. Williams in today's issue of *The Times*, in which he asks us to check that the garments and other products we buy are made in the United Kingdom.

I strongly support this and think that many I draw attention to the fact that many products and packs are not marked with any indication of origin?

A few examples serve to show that practice varies. ICI paint is marked "Made in Great Britain", but Woolworth's paint does not carry a declaration of origin.

Many Unilever products do not show where they were made, but Colgate-Palmolive seems commendably assiduous in stating that its products are made in England. Presumably, imported cars are labelled somewhere, but I have met people who say they are unsure whether the

Ford cars they drive were made in England or Germany.

No doubt companies are complying with the Trade Descriptions Act 1972, which set out to remove ambiguity about imported goods which might be taken to be British made. Where there is a risk of confusion, imported goods must be marked to show their origin. There does not appear to be any legal requirement to declare the origin of British-made goods sold on the home market, and I do not suggest that this should be.

However, it would be helpful—and indeed fundamental to a "Buy British" campaign—if British-made goods were marked to tell us so.

Yours faithfully, J. C. MACCHESNEY, 67 Hazelwood Road, Hursley, Surrey, RG8 0JA.

Minerals exploration

From Sir Peter Kent and Sir Kingsley Dunham

Sir, The correspondence on British mineral resources which followed our letter of January 9 has shown how widely held is the view that our natural metallic mineral resources should be evaluated and in due course developed.

There is a wide difference of opinion about how this could best be fostered, and we emphasize that our advocacy of nationalization (we repeat, of undiscovered reserves) was made with the object of stimulating discussion on the best way of breaking the log-jam of inactivity.

Those who oppose this might perhaps formulate alternative procedures. A Bill was indeed prepared after wide departmental consultation with owners and industry which would have facilitated a more open ownership of mineral resources, but without recourse to national ownership.

This Bill, however, failed to win Parliamentary time during the later stages of the first Wilson Government, and was not proceeded with by the second Government. We have no doctrinaire prejudices in favour of nationalization, but we are aware of the pace Mr Seymour (January 14) and Mr Holland (March 19) that in the hydrocarbon field landowners have been notably lacking in exploration initiative.

Following the 1918-1922 government drilling programme—the Duke of Devonshire alone followed discovery by further drilling at Hardstoft in Derbyshire—it took the government's responsibility for nationalization of undiscovered resources in 1934.

Postal Giro and bank accounts

From Mr A. Reynolds

Sir, Perhaps because the commercial banks dominate retail banking in the United Kingdom, Adrienne Gleeson has interestingly surveyed the commercial banks abroad for her article on foreign bank accounts (April 5).

But in much of Western Europe it would be at least as common for a resident to have an account with the giro system run by their Post Office as with a commercial bank. In France, for example, seven million people have postal giro accounts whilst in the Netherlands it is estimated 30 per cent of the population does so.

By contrast, the figures for the United Kingdom are around 800,000 and 2 per cent. I now hold postal giro accounts in five European countries and can testify to their cheapness and convenience.

The charges made for cashing cheques at post offices are very modest. The Swiss, Danes and Dutch charge nothing whilst the Norwegians and Swedes just 6p and 14p respectively per cheque. None requires a minimum balance. Denmark and the Netherlands pay a small rate of interest. All provide free payments to giro account-holders within their countries and abroad. Now that British National Giro has introduced a £1 fee on such international payments, it could pay British Giro account-holders to open a foreign giro account for this purpose alone.

Yours truly, ALAN REYNOLDS, 40 Leyburn Gardens, Croydon CR0 5NL. April 9.

1979 - A year of Substantial Achievement for The British National Oil Corporation

In 1979 BNOG moved out of its initial development phase and began to contribute substantially to the nation's wealth.

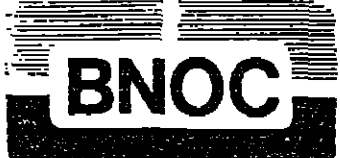
In 1979 BNOG:

Made a profit before tax of	£75 million
Produced and sold oil and gas worth	£265 million
Made total sales including participation oil of	£3,245 million
Increased its offshore exploration and development expenditure to	£221 million

Since it was established in 1976 BNOG has spent over £1,000m in exploring for and developing Britain's oil reserves. By the end of 1979 it was no longer drawing Government funds to finance its development, and it is now a large and growing net contributor to the Exchequer.

BNOG now employs over 1,400 people—85% of them in Scotland. The growing scale of its activities—production from the Thistle field, construction of Beatrice, including a shore terminal at Nigg Bay, investment as partner in 7 other fields, and increasing exploration and appraisal—ensures continuing challenge and opportunity in Britain's national oil company.

Copies of the Corporation's Annual Report and Accounts are available from: The Secretary, The British National Oil Corporation, 150 St. Vincent Street, Glasgow G2 5LJ.



The British National Oil Corporation

GROVEWOOD SECURITIES

£13.2 MILLION PRE-TAX PROFIT FOR 1979

INCREASE OF £2 MILLION

- Turnover £137m (£107m 1978)
- Exports £26m (£21m 1978)

John Danny, Chairman and Chief Executive, announces a record profit for the 12th consecutive year.

This success is due to the quality of the people who run our businesses. Entrepreneurs sell to us part of their shareholdings, retaining management control, and then dispose of the balance over periods suitable to them. These happy and prosperous "partnerships" are what Grovewood is all about.

Substantial funds are available for investment. Enquiries are welcomed.

10 YEAR PROFIT RECORD

	£ million		£ million
1979	13.230	1974	3.279
1978	11.235	1973	2.805
1977	7.160	1972	1.945
1976	5.646	1971	.912
1975	3.667	1970	.626

SCIENTIFIC INSTRUMENTS, BUILDING MATERIALS, TELEVISION, ELECTRICAL AND HOUSEHOLD GOODS, ENGINEERING, AGRICULTURAL MACHINERY AND SPARES, MOTOR VEHICLES, MOTOR RACING CIRCUITS, MEDICAL AND NURSING SERVICES.

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BY THE FINANCIAL EDITOR

Institutional cash and the equity market

ck market had some difficulty yesterday digesting the £16m to £20m worth of new issues from the liquidation of City & Interday by Gurney shareholders. Taking account the selling and the buying of equity market and was enough to prices.

alone shows how difficult it would be to raise fresh money for the funding of the pressed corporate sector at the

pointers are the recent or United Biscuits, which was placed me difficulty, and Rugby Portland which had to pay well over the odds privilege of bolstering its equity

itions are flush with cash but with some on companies on the one hand attractions of money markets on the rest of them are still loath to themselves to ordinary shares and are wait and see attitude.

year institutions took in some in cash of which some £5,700m in gilts; £2,100m in shares and 1,000m each in property and over year an institutional cash flow is to be at least £11,500m while the set to fall.

on forces working capital require- while the strong pound inhibits and promotes competition from im- under these circumstances companies gh working capital requirements engineering motors and textile s under pressure.

me of them the situation is likely e as dramatic as that prevailing in 4. For the corporate sector as a e net borrowing requirement is almost treble from £2,200m in 1978 to £6,000m last year. Bank credits will, a, provide some of the money but servent institutions will be looked ing up the capital base. The ques- ill they do it?

of institutional money comes from funds and insurance companies t trusts getting less when the mark- and investment trusts contribut- little. While the major institutions their liabilities in sterling nothing w most of them from dabbling in markets. Many might indeed be to do so instead of propping up y may consider bad risks in the ingdom.

one reason why the flow of funds re yield gap arguments in favour e might not be as strong as they be. To some extent we are in un- vaters. In the past a reverse yield 7 per cent and going up to 7 1/2 per cent with end year dividend , would be a sign of the market o bottom out and, the 1974 experi- rt, a 7 per cent yield on equities a promising start for recovery.

ne can say for sure now and the t that any recovery in shares will d down by large scale rights issues utes relatively unattractive.

ing the

s decision to pass the final is brave. Not all shareholders will ith the board's opinion that it is in interests of both shareholders and any and judging by the fall in the ice—down 7p to 28p the share later d to 32p—some have cleared off

ex has certainly had problems. The ndustry a major customer, the s products division lost heavily and closed or sold, and interest charges rose by over four-fifths to £966,000. profits were only a fifth lower at

the line the picture is worse. After eases tax charge, hefty minorities, lossure costs and write-offs and the the interim dividend, Revertex has withdrawal £26,000 from reserves. cost accounting would probably have d this by about £1m.

in that light, there is some justifica- passing the final dividend, which

cost £323,000 in 1978, not to mention unrelieved ACT where the group has a problem.

However, the balance sheet is in reason- able shape despite the losses. Net borrowings only rose by just over £1m, leaving gearing unchanged at 42 per cent. Cash flow should match outgoings in 1980 and the group expects profits to recover to 1978's £2.5m.

The board will only say of the dividend cut that it "does not envisage the continu-



Sir Campbell Adamson, chairman of Revertex Chemicals.

ation of such a policy". Presumably this means some restoration in 1980.

There is an obvious case for not paying dividends out of capital. But equally, if a company cannot produce the goods, why not do so and let shareholders re-invest the proceeds elsewhere? Revertex will have to justify this dividend cut with future performance.

Grand Metropolitan Financing Liggett

Grand Metropolitan still has some legal hurdles to jump yet after yesterday's events in the Delaware Court before it can get on with the serious business of its \$415m tender offer for the United States Liggett Group.

This has already started to arouse some worries about the impact on the group's gearing, particularly as the acquisition coincides with a period when internal cash-generation is coming under pressure from a quiet outlook for profits, notably on the hotels side.

Since the conversion of the outstanding £124m loan stock two years ago and last year's £78m rights issue, Grand Mer's financial gearing has been transformed. Three years ago borrowings as a proportion of shareholders' funds had risen to more than 150 per cent, leaving it uncomfortably exposed to the vagaries of interest rates.

At the last balance sheet date this had fallen to 43 per cent, and interest charges to trading profits had dropped from a high of 60 per cent in 1975 to 23 per cent. Even that understates the true picture since around half Grand Mer's £1,230m capital employed is represented by high quality property assets, some £380m of which were last revalued at 1975 or before.

Grand Mer is financing Liggett mainly through the \$350m Euromarket facility it has arranged through Barclays and NatWest, which will increase net borrowings from just over £300m to £550m including Liggett's debt raising gearing, assuming some £150m of goodwill in the price, to the 65-70 per cent region.

This may well be reduced substantially if Grand Mer sells off, as seems likely, part of the Liggett interests, but it still represents a reversal of the trends in the balance sheet which have helped make the group an institutional favourite over the past couple of years. Interest costs are already starting to work in Grand Mer's favour.

But assuming 20 per cent interest on the Euromarket borrowing financing costs would only just be covered by Liggett's profits last year of \$87m. The group's property assets can sustain a higher level of debt these days but the financial benefits of the acquisition will need to be more clearly spelt out to convince shareholders that Grand Mer is not paying too high a price to protect its whisky franchise, which seems the main object of the exercise.

Mr John Biffen, Chief Secretary to the Treasury, is an unusual politician. He is associated with firm and unorthodox views. In this mood he is further unusual in being prepared to follow through the logic of his arguments in public, even when this leads him to conclude, for example, that unemployment is bound to rise substantially or that the country faces three years of unparalleled austerity.

He has had experience of speaking his mind in public on prickly issues only to find that he was contradicted in public by the Prime Minister.

Which brings us to the now notorious speech over the weekend in Edinburgh. It was initially represented by some reporters as a challenge to the heresy of the Prime Minister. Sir Keith Joseph, Mr Enoch Powell and Lord Harris of the Institute of Economic Affairs.

Indeed, when a Cabinet minister who is part of the Prime Minister's inner circle of economic policy confidants says that "there is no mechanistic and succinctly demonstrable link between a movement in money supply and a subsequent change in inflation", it is not surprising that those in search of a story think that they have found one.

The conclusion is the more forgivable when the same Chief Secretary goes on to say that there may be a two-year time lag between changes in the rate of growth of money supply and the rate of change of prices, but that "I suspect the time lag varies on account of the level of international trade, the rate of business activity and the many social traditions that affect individual and corporate behaviour".

It is unlikely, however, that Mr Biffen would have been making such a direct attack on the reigning theory as has been suggested.

The Government having taken huge political risks during 1979 in order to get the rate of growth of the money stock within prescribed limits, by raising minimum lending rate to 14 per cent in June and 17 per cent in November, it would indeed be extraordinary if Mr Biffen were calling into question the whole purpose of the exercise just at the moment when it is being completed.

It is much more likely that he was trying to make a much more important point for the benefit of the Prime Minister and his colleagues. Mrs Thatcher rightly senses that Mrs Biffen believes that prices will automatically follow the rate of growth of money supply, with admittedly a variable time lag, but one which for all that will be about 18 months to two years. He is concerned that when 1980 turns to 1981 and there is no proper sign that the level of inflation is coming down to the low teens in percentage terms, the politician in Mrs Thatcher will grow impatient for results. His message from Edinburgh was that control of the money supply was a necessary, but not a sufficient, condition for getting inflation under control.

The fact that there have been voices about telling the Prime Minister that it was not only a sufficient condition, but implying that it was also relatively less painful than other possible ways of getting the same result, needs in Mr Biffen's view to be countered.

The risk, from his point of view, is that in 1981 the money supply baby could get thrown out with the bath water. For unlike some others, Mr Biffen is fully aware of the likely consequences of what he wants and he is prepared to face them. He is right in his round. The evidence of what has been happening is even less clear than usual, which allows policy makers to say for the time being that they are not sure that things are as bad as the commentators are making out. It would be very surprising if aver-

age settlements for this year in the private sector turns out to be less than 3 per cent higher than last year. In the public sector as a whole they are clearly substantially higher still. They are highest of all in the area of central government employment, where the administration seems to have drifted helplessly through 1979.

The notion that the announcement of strict monetary targets would somehow cast a shadow of "rational expectations" before the event, causing the whole economy to kick the habit of inflation, was beguiling, but has not stood the test of practical experience.

Since the Government is directly and indirectly itself such a dominant employer, the idea that it can stand back and allow free collective bargaining to settle wage levels does not correspond to the real world. If it is to avoid being driven into a lurch back to a formal incomes policy in 1981, it will have to think out a policy for public sector pay at least for the next year round that is something more than shuffling off responsibility to the Clegg Commission and to Pay Research Units.

British economy can get through to a better price performance without its own major recession.

Even with a recession, the Government will still have to be much clearer about its attitude to pay settlements in the public sector than it has been in this round. The evidence of what has been happening is even less clear than usual, which allows policy makers to say for the time being that they are not sure that things are as bad as the commentators are making out. It would be very surprising if aver-

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Steel: how 'jishu kanri' helps Japan

Kimitsu, Japan

The Kimitsu works of Nippon Steel Corporation, the world's largest steel-making company, is the sort of carefully planned, highly automated coastal steel plant which fired the imagination of British Steel Corporation strategists in the late 1960s.

The vision of Sir Monty Foster, the former BSC chairman, have become a nightmare to his successor, Sir Charles Villiers. At Kimitsu and at Japan's other major steelmaking centres, the vision has become a reality.

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Critical to Kimitsu's produc-

tion—which is mirrored elsewhere in Japanese steel plants—is a huge blast furnace with the capacity to produce 12,000 tonnes of iron a day. It is one of the four largest in the world and during this month molten iron has been bubbling out of the furnace at a daily rate of 11,616 tonnes. A computer and a team of fifteen men per shift supervise its operation.

For a half year ago, the BSC sent a high level management-union delegation to Kimitsu. The report on their tour has remained under wraps, but in the course of its comments on Kimitsu it observed:

"The furnace must make any visitor from the United Kingdom pause and reflect on the competitive challenge it presents to the British steel industry and British steelworkers' jobs".

What is the secret of Kimitsu's success? After all the Japanese are not superhuman. They may not be supermen, but they are effective. Thorough planning, huge investment and a high level of automation and computer control (the industry uses nearly 900 business and process computers) have been among the more important factors.

And underlying the business skills are the close relationships between industry and government and in particular the all-pervasive hand of the influential Ministry of International Trade and Industry, together with a compliant labour force committed to their jobs, their company and the country's economic prosperity.

The willingness of the industry's workers to commit themselves to continued improvement, together with management's objective of maximizing profit and performance through the employment of the most effective means of production are a formidable combination.

Increased competition from South Korea and Taiwan, with their lower labour costs, is forcing Kimitsu and the other Japanese steel makers to respond by upgrading the yield of finished steel they derive from the liquid steel output of every works, to improve the quality of every tonne of steel and to reduce its overall cost.

Mr Koichi Tagiri, general manager in charge of steel making at Kimitsu says: "We have no natural resources of oil and coal in Japan. Our most important resource is our people. Increasingly better educated people who work in this industry have a pride in working for it because it is so important to the rest of Japan's manufacturing industry."

This sort of pride, dedication and commitment shows itself in a variety of ways, but two are especially noteworthy. First, there has been continued growth of *jishu kanri*, literally voluntary self-management, in which workers take responsibility for their own work and for the work of others. This has been sustained investment in new processes, especially in continuous casting of steel.

Jishu kanri has blossomed in the steel companies to a point where there are now almost 32,000 *jishu kanri* groups scattered throughout the industry. Kimitsu alone has 900 such groups, which produce thousands of ideas and suggestions (many of them based on discussions carried on outside working time) covering safety, cost reduction and improved efficiency.

The *jishu kanri* phenomenon is often overlooked by Japan's manager in charge of steel making at Kimitsu says: "We have no natural resources of oil and coal in Japan. Our most important resource is our people. Increasingly better educated people who work in this industry have a pride in working for it because it is so important to the rest of Japan's manufacturing industry."

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competitors, but within Japanese steel companies it is regarded as extremely important. In 1978 Nippon Steel finished steel production last year totalled 6.3 million tonnes. The second machine, commissioned last month, is producing at a rate of 70,000 tonnes a month and by August will be operating at a rate of 210,000 tonnes.

Mr Tagiri and his management colleagues have drawn up plans to install a third continuous casting unit at Kimitsu, which, when operational in 1983, will lift the proportion of continuously cast steel at the works to about 90 per cent.

Across the rest of the Japanese steel industry the switch to continuous casting has been extensive and now accounts for about 53 per cent of production. By the end of this year it is expected to rise to about 60 per cent, a level which forecasts that three years ago suggested might not be reached until 1990. This is about three times higher than the figures for the United Kingdom and the United States steel industries.

By means of continuous casting and other measures finished

Higher yields

The process allows iron from a blast furnace to be transferred from the furnace to a basic oxygen furnace for conversion to steel. From the converter the steel can be poured out in slab form for rolling as coil or plate, eliminating the need for the steel to be set first as ingots and then expensively re-heated before being processed into finished steel.

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Business Diary: Unilever's best seller • Steel spies

anks of William Heinemann publishing authors such as the Cooke and Wil- ith may now be added e of Dr Bill Reader.

er, who would probably first to admit that this s not one which daily s the lips of London's can thank Unilever for ular honour.

Anglo-Dutch company aranted the industrial n a sales figure of at 5,000 for his book *Fifty y Unilever* by agreeing a copy of the publica- every one of its em- in the United Kingdom land.

arked contrast the actual e copies being printed public will be between d 2,000, each costing

s is not vanity publish- Heinemann said firmly t spoke to them about d. "It is the sort of book id put in our own lists

much the agreement has nilever is not being re- ough the cheaper ac- version commis- by the company is no d effort.

David Orr, Unilever's as has been greatly in of the book to mark the y's jubilee. The com- also had a gold medal by the Royal Mint to 32 staff members e been with the com- ver five decades.



Hollowood

"The union is prepared to go to arbitration provided that Clegg and a few teachers are the arbiters."

Caribbean banking is an expression which tends to conjure up images of Robert Vesco, IOS and the routing of money acquired in suspicious circumstances to undermine tax and exchange control regulations.

J. Adams, Prime Minister of Barbados and the island's Finance Minister, is out to change that. He is on record as saying that the country's banking aspirations will not be based on "gimmickry" nor would he allow the island's banking to be used to "launder

Yesterday he was leading a delegation to London extolling the virtues of the island as an offshore banking centre. Despite all the usual tax incentives, including a favour- able withholding tax arrange- ment, most City people yester- day, however, still seemed to be looking on Barbados as a winter holiday haven.

Sir Campbell Adamson is obviously a man who learns from his past. He was the director-general of the CBI who made some caustic remarks about the Heath Government and the Industrial Relations Act during the miners' push of 1974 which some blame for the downfall of the Tories.

But yesterday he was less than forthcoming about Mrs Thatcher's attempts to house- trap the masses. "I cannot comment on that," he said, in response to *Business Diary*'s questions on the Employment Bill. "You really cannot expect me to."

Now chairman of the chemical group Revertex, which announced results yesterday, he did make one remark which is likely to be noted by those who see it as their duty to track down "whits". He confessed to a "great admiration for Jim Prior". Surprise, surprise.

While the case involving confidential British Steel documents used in a Granada television programme was in the High Court, one of the country's largest stockholders is lamenting the loss of "steel papers" of its own.

GKN Steelstock, whose sales last year totalled about £200m, says it has been the victim of industrial espionage. A computer print-out of a customer list, allegedly disappeared, was the act which took the company sufficiently seriously for it to issue a warning of the wartime "careless talk costs orders" variety, to its staff.

Everyone has a responsibility to be vigilant at all times, to keep secure valuable information, preferably under lock and key. Everyone has an equal responsibility not to talk carelessly in public places—pubs, restaurants, trains, aircraft," says GKN's staff paper.

GKN adds that people who destroy its efforts—and thereby threaten jobs—stealing information deserve the most severe punishment.

The company was keeping mum when *Business Diary* approached it on the subject.

All the spokespersons would say was that there would be no prosecution as a result of the latest incident.

It is a week of unusual celebrations at the Gladstone Pottery Museum in Stoke on Trent. To mark its fifth anniversary Francis Celoria, the director is letting anyone with the surname Porter or Crocker in free to the various specialist exhibitions he is staging.

He is also putting on show, in what he describes as "sublime captivity", a sagger maker's bottom knocker. This specialist craftsman used to make the base of saggars, ceramic boxes in which pottery was placed before firing in a kiln.

Celoria says that the knocker's "mysterious skills have inexplicably caught the imagination of thousands" since one defeated the panel in the BSC's "What's My Line? many years ago.

Knockers are a dwindling breed and Celoria counts himself fortunate to have persuaded one to leave port of retirement just for this week.

Hours after it was announced that Sony UK had won *The Queen's Award for Export Achievement*, Tokyo's largest chunk of Welsh industry was hosting the launch of a new product at Regine's the Knightsbridge club. Despite being admitted so soon to such high circles, the company chose to introduce its latest cassette player by attaching them to the scantily clad bodies of a "dancing group" called Hot Gossip, who then proceeded to write around in a way which can be described as highly suggestive. The recorders, made in Japan, Windsor, I fear, will have to be informed.

David Hewson

The Randfontein Estates Gold Mining Company, Witwatersrand, Limited

(Incorporated in the Republic of South Africa)

A Member of the Johannesburg Consolidated Investment Group of Companies

Extracts from the 1979 Chairman's Statement

* Operating profit increased from R73,684,000 to R100,156,000 as a result of increased production of both gold and uranium and the higher average gold price received of U.S. \$304 per ounce as compared with U.S. \$200 per ounce in 1978, despite a significant increase in costs and the planned reduction in grade.

* Dividends increased from 450 cents per share to 600 cents per share absorbing R32,481,000.

* Uranium production increased from 117 tons to 417 tons. Throughput in the Cooke uranium plant now matches that of the gold plant and the emphasis is on improving recovery efficiencies. Production is likely to reach an annual rate of about 700 tons later in the year.

* As announced in the press on 3rd November, 1979, the grade and tonnage estimates in respect of the in-situ reserves remaining in the Randfontein Section were considered to be overstated in the light of current sampling. No complete explanation has as yet been provided but the investigations have highlighted many factors as contributing causes. However, the company's technical advisers report that the Section has a life of at least four years. It is anticipated that any shortfall in uranium production will in due course be met by production from the Cooke No. 3 shaft area.

* A decision has been made to proceed with the sinking and development of the Cooke No. 3 shaft and to expand treatment facilities at the Cooke Plant by 150,000 tons per month. Underground production is planned to commence in 1985 and the total estimated cost is some R200 million in 1980 terms.

* Capital expenditure is likely to total R46 million in 1980. This expenditure includes some of the costs associated with starting the Cooke No. 3 shaft and the cost of a ventilation shaft necessary to provide improved working conditions in the Cooke No. 1 and 2 shaft working areas.

21 April 1980

B. A. Smith Chairman

SUMMARY OF OPERATIONS

Year ended 31 December

Net profit from gold and silver — R000's 83,245 70,156

Net profit from uranium — " 14,932 2,962

Capital Expenditure — " 22,737 58,405

Tax and State's share of profits — " 7,182 —

GOLD

Tons milled — 000's 3,931 1,850

Recovery — kilograms 23,486 21,106

Average price received — per kilogram 6.0 11.4

Revenues — per ton milled R28,160 R5,604

Costs — per ounce U.S. \$304 U.S. \$200

Profit —

FINANCIAL NEWS AND MARKET REPORTS

Stock markets

Confidence pushes gilts higher on exhaustion of Exchequer tap

The final week of the account began on a fairly subdued note yesterday with prices drifting between narrow levels.

Gilts again turned in a reasonably strong performance helped by the exhaustion of the tap Exchequer 3 per cent 1983. But the lead that the rest of the market expected gilts to provide failed to materialize, leaving equities to mark time.

Oils, however, came in for more inquiry from both home and overseas, by speculation among the second liners and reports among the majors that Iran might attempt to sell its oil to Eastern European countries.

Weekend press comment had led to a fairly firm start to trading with the FT index showing a rise of 1.0 at 10 am, aided by the decision to return to work at 11.

But news that the City and International Trust had gone into liquidation following approval for a takeover from Guthrie shareholders last week soon poured cold water on things. Reports that brokers had disposed of shares in City and International valued at between £16m and £20m, which accounted for about half of the market's total turnover, unnerved the rest of the market.

So after managing to keep its head above water for most of the session the index closed 1.6 off at 441.1 after profit taking on small amounts of nervous selling.

Gilts enjoyed another active day with some confident buying pushing prices higher across the board. A further reduction in United States prime rates late on Friday was another contributing factor with some observers pointing to a downward movement in United Kingdom interest rates in the not so distant future.

In longs, prices got off to a lively start, rising 1½ to 1½, although profit taking clipped back some of the gains at the close so that prices on average showed only ½ overall.

Dealers were pleasantly surprised by the market's performance having expected a bout of indigestion after last week's sell-off of Treasury 13½ per cent 2004/08 which again improved in partly paid form by ½ to £20½.

At the shorter end trading was somewhat quieter even though the tap Exchequer 3 per cent 1984 was soon exhausted, with prices being extended by about 1½ to 1½ overall. Jobbers no longer expected a fair amount of leeway before the Government broker announces another new issue.

Leading industrials were left rather neglected after the news about London & International Trust, although prices were mainly firmer where changed. The exception proved to be Beechams, which slipped 1½ to 115p. ICI at 37½p, Unilever at 42½p, Dunlop at 56p and Pilkington at 21½p remained firm. Rises of 2p were noted in Glaxo at 21½p, Fisons at 28½p and GKN at 27½p. Courtaulds was up 1½ at 68p.

In oils the majors were all easier as a result of fears over Iran. However, jobbers reported that the falls were not serious and mainly the result of cautious marking down. Iran now accounts for very little of Britain's oil imports and the market was remaining fairly optimistic. In the event, Shell eased 4p to 34½p and BP was 6p lower at 33½p.

Ultramar continued to reap the benefits of the chairman's

recent bullish statement, climbing 18p to 50½p, while speculative demand again lifted Lasso 18p to 52½p. Among the second liners Irish sellers clipped 14p from Aran Energy at 32½p while Viking Oil eased 50p after hours to 101½p.

Others to close off the top included Clyde Petroleum, 2p off at 39½p, and Celtic Basin, also down 2p to 190p.

The long-awaited terms from Lamont pushed shares of textile group McCleery L'Amie 5p higher to 19p while late speculative support boosted

Speculators are betting that Blue Circle's £30m bid for Arncliffe Shanks will get Monopolies clearance. Heavy buying of Shanks last week has taken the price to 7½p after a sharp fall when the bid was referred. Both companies are continuing to participate in the commission's investigation, which started in February.

Mallinson-Denny once more. But profit taking left the share price 2p lower on the day at 75p.

Also on the bid front Lidsone jumped 30p to 30½p on the cash offer from Greewalk nominees and speculative support provided a fillip for Furness Withy, 15p up at 37½p.

Serck recovered 4p to 51p after Rockwell International's recent decision to withdraw from making a bid for the remainder of the capital, but the bleak outlook for Repworth Ceramic left the shares 4p off at 105p and profit taking lowered Sotheby Parke Bernet 3p to 420p. News of a large overseas contract helped Davy Corporation advance 1p to 88p.

A profits surge at Executec Clothing saw the shares rise 5p to 42p. Favourable results helped EIS 1½p to 57½p and Maple 2p to 32p. However, the market was not so leashed with the profits setback at Revertex with the price slipping 6p to 29p.

Wade Potteries fell 2 to 49p while Wadkin closed unchanged at 80p along with London United Investment at 156p. News of improved profits after hours enabled MDW Holdings to improve 1p to 53p.

Renewed speculation that Lorrho was set to make another bid inspired House of Fraser to a 5p rise at 132p. Lorrho marked time at 90p. Jobbers fully expect a bid to be made eventually but are undecided as to by whom and when. Grattans again came in for speculative demand, rising 2p to 84p and GUS "A" rose 5p to 38p.

Electricals remained fairly quiet and easier for choice as the jockeying for television franchises directed attention towards some of the TV companies. Gramplan firming 2p to 30½p and LWT perked up 6p at 115p. But HTV closed unchanged at 58p.

Banks came in for a little support with prices slightly higher throughout the list. Barclays hardened 3p to 418p and National Westminster rose 1p to 331p. Midland was unchanged at 340p and Lloyds eased 2p to 298p as the bank messengers' strike continued.

A lower gold bullion price down \$15 to \$497.50 an ounce did little for mining shares. The price of gold was mostly mixed appearance at the close. Vaul Reefs ended ½ higher at £23½ off at £29 11/16. Anglo American Gold finished ½ off at £33½ and St Helena drifted ½ to £14. At the cheaper end of the market results left Messina unchanged at 195p with Middle Wits 5p lower at 360p as press comment helped Cons Gold 4p to 475p in mining financials.

Equity turnover on April 18 was £80.340m (11.554 bargains). Active stocks, according to the Exchange Telegraph, were 1,969 (9.8% of total). Ultramar, Shell, Tricentrol, IC Gas, Barclays, Lasso, BAT, Grand Met, 600 Group, GEC, House of Fraser, Imperial Group, Mallinson-Denny, Racal and BBA Group.

Profits slip at Wade Potteries

By Our Financial Staff

Shares in Wade Potteries fell 2p to 49p yesterday on the announcement of an 11 per cent fall in profits in the six months to January 31.

Profits fell from £530,000 to £470,000 on turnover up from £4.7m to £5.6m.

Part of the problem was signalled at the time of the annual statement—the move to a new factory in Scotland. The changeover led to trading losses of 130,000 more than was expected. The move is now completed and, given reasonable trading conditions, the Govan-croft operation should be back to profits early in the next year.

Elsewhere Mr Anthony Wade, the chairman, says the companies in the group showed substantially increased profits and capital spending is going according to plan. Demand steady in the period and this allowed the factories to work at full capacity.

However, Mr Wade says the next few months may be more difficult as unsettled trading conditions may affect demand in the short term. At the same time margins will be pressured by rising costs.

He adds: "Whilst it would be unwise to make a specific forecast for the balance of this financial year, looking further ahead, your group is well placed, both in plant and technical ability, to take full advantage of trading opportunities as they arise."

The interim dividend is 0.714p gross. Last year's total dividend of 1.26p gave a historic yield of 3.5 per cent.

Earnings per share at the half year stage are 3.038p compared with 3.493p last time. The full year total was 10.392p to give a p/e ratio of 4.7.

Possible £2.3m bid for McCleery called 'inadequate'

By Philip Robinson

Independent directors of Belfast-based carpets to ropes group McCleery L'Amie were swift yesterday to dismiss as "inadequate" a possible £2.3m takeover bid by Lamont Holdings, the engineering and property concern.

Sir Desmond Lorimer, who is chairman of both firms, announced his intention to make an offer for McCleery yesterday afternoon. Last night a spokesman for the independent McCleery board, non-executive director Mr Douglas Owen, said the price of the intended offer was not enough and detailed reasons for their statement would be given if a formal bid was made.

In a statement last night McCleery said the proposed offer by Lamont had been announced despite lack of agreement between the two companies on appropriate terms.

Until a formal offer was made, shareholders would be advised to take no action.

Sir Desmond is offering three Lamont shares for every four McCleery ordinary shares or a cash alternative of 18p and 10

ordinary shares or £2.50 cash for every £10 preference shares. McCleery's price in the stock market last night closed 5p up at 19p, a shade higher than the cash bid price.

Sir Desmond, who is a director of a dozen companies and chairman of half of them, controls about 300,000 of McCleery's 12.5m issued shares, which are mainly held by private investors in Northern Ireland.

Sir Desmond, who has been pulling Lamont out of the red for the last three years, says that if the bid goes through, "some rationalisation may take place within the management and manufacturing activities."

He has already steered the pruning of McCleery's workforce from 1,200 to 800 and said last night that any further rationalisation "would not mean any significant number of redundancies."

What is catching his eye is McCleery's biggest asset, 20 acres of single-storey factory building outside East Belfast, which has recently been revalued at £2m, giving the group fixed assets worth £5m. McCleery made a pre-tax loss last year of £33,000 against a profit of £44,000.

Royal resists rate cutting

By Our Financial Staff

Royal Insurance maintained its policy in 1979 of resisting excessive rate cutting in the face of strong and sometimes irrational competition.

Mr Daniel Meinertzhagen, the chairman, accepted that this had led to some restraint in premium growth but he

pledged the group to remaining a leading international company by active pursuit of new business wherever use prospects for profitable growth.

The chairman also welcomed the abolition of exchange controls which had enabled Royal to repay foreign borrowings that had been incurred for use in overseas expansion.

Recovery expected at Weir

By Our Financial Staff

Firm evidence of recovery and resumed growth is expected this year by Lord Weir, chairman of Glasgow-based engineers Weir Group.

Weir saw profits fall last year from £7.6m to £2.1m and had to draw on its reserves to the tune of £8.8m.

One part of Weir's problems has resulted in an auditors' qualification from Arthur Young McClelland Moores. This states that a provision of £3.6m for closure costs and

terminal losses relating to OH Steel Founders and Engineers cannot be definitely estimated, though the accountants have information which would lead us to disagree with the amount provided.

Lord Weir admits that the 1980 background is not likely to be favourable, with worldwide capital goods demand running at a low level and prices depressed.

He comments: "In present circumstances we must clearly retrench and make every sav-

ing we can in our use of resources of all kinds."

He points out that the closure of two foundries and the valve company mark the start of the economies and "further radical action" in peripheral activities may follow to protect the main business.

"With the vigorous action we are taking it will not be long, I trust, before we return to a better level of profitability and to a healthier financial state," he adds.

MDW profits up but earnings a share fall

MDW Holdings, the building and civil engineering contractor, raised pre-tax profits 17 per cent to £1.26m in the year to December 31. Sales increased from £28.7m to £33.2m.

The group has changed its policy on providing for deferred tax to comply with SSAI. After adjusting 1978 figures accordingly, earnings per share showed a fall from 22.5p to 19.63p.

However, MDW has increased the final dividend by nearly a quarter, to leave the year's dividend up from 4.36p to 5.36p gross.

At the net level, the dividend was covered more than five times by stated earnings.

The final dividend is also payable on the 750,000 shares issued in part consideration for John Lawrie, the Manchester builder, which was acquired after the year and Lawrie made pre-tax profits of £312,000 in 1979 which were not consolidated in the group results.

The shares closed at 55p, the yield is 10.5 per cent and the p/e ratio on stated earnings is 2.6.

In February, MDW announced the sale of a port of ship and office premises in Scotland to Scottish Metropolitan Property Co.

New deal for brokers and ECGD

The Export Credits Guarantee Department and the UK Credit Insurance Brokers Committee have agreed on new arrangements for brokers handling business under ECGD guarantees.

The deal is designed to establish good working relationships between the brokers and the ECGD. They should mean savings in brokerage paid by the ECGD.

The ECGD is thought not to be satisfied with all the service charges generated by the new arrangements. Under the deal, the commission will be as much as 10 per cent in the first year, but will fall in subsequent years.

The commission paid to brokers used to be between 5 and 8 per cent of the premium payable. Under the new deal, the commission will be as much as 10 per cent in the first year, but will fall in subsequent years.

Associated Biscuit aims high

Associated Biscuit Manufacturers, which has around 22 per cent of the domestic biscuit market, has, according to Mr Gordon Palmer, chairman, set itself "some ambitious targets for 1980".

The group leans less on the cultural United Kingdom market, with a bigger presence in North America and Europe, and a big stake in snack foods.

Mr Keith Bright, chief executive, says that margins should widen this year as the consolidation plan moves towards completion. Last year, the group raised profits by more than 26 per cent to £11.99m. It has also spent a lot of money, but the chairman says resources this year should be adequate. Rowntree has 20 per cent of the shares. They are now 77p.

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Kleinwort Benson

A summary of the Statement by Mr. Robert Henderson, Chairman of the parent company, KLEINWORT, BENSON, LONSDALE LIMITED, in the 1979 Report and Accounts.

In a year of unusual economic and financial instability, Group profit after tax and transfers to inner reserves, at £12,096,000, was 33 per cent up on 1978, and the highest ever achieved. The total dividend of 6.5p per share compares with 4.6p last year.

The share capital and disclosed reserves of the Group have been increased by 32 per cent, by transfers from inner reserves and deferred tax account, together with the retained profits earned in 1979, to give a figure of £110,358,000.

INTERNATIONAL AND DOMESTIC BANKING

Commercial advances increased and acceptances grew from £243 to £334 million. Substantial amounts of money were provided for ECGD-backed dollar and sterling loans in support of British exporters. Our Syndication Department has had a remarkably active year, and has introduced a number of innovative ideas for financing local authorities.

The acquisition of a 75 per cent interest in Bankhaus Martens & Weyhausen is not only an important step in the development of our German business, but also in our policy of establishing ourselves in major money markets overseas as a base for our other fee-earning activities as well as banking. The results of our subsidiaries in the Channel Islands, Switzerland, Hong Kong and Belgium were all significantly better than for the previous year. Business in the Middle East in fund management and deposit-taking has grown steadily. Our interest in the North Sea yielded significantly higher profits.

BULLION

As a result of unprecedented activity in the bullion market, Sharps, Pixley Limited and

its subsidiaries in New York and Hong Kong had an outstanding year. Activity at times was hectic, and entailed the closest co-operation between bullion, money and foreign exchange dealers. The resultant contribution to the profits of our banking group was considerable. Record profits were also achieved by J. S. Knight & Son and Edward Day & Baker, processors of precious metal.

CORPORATE FINANCE

The income earned by this division was the highest yet achieved. Merger and acquisition business continued actively throughout the year, and has become increasingly international. The growth of our involvement in managing and co-managing international eurobond issues and London CD issues has been encouraging.

PROJECTS

The division continued to develop its markets and diversify its services. Several valuable advisory assignments from British and foreign clients were obtained or extended during the year, in a variety of fields: these included oil and gas, coal, nuclear fuel, iron and steel, cement, toll bridges and mass transit systems.

INVESTMENT

The numbers of pension funds and international accounts managed by Kleinwort Benson Investment Management Limited have increased, and our marketing effort has been strengthened. Kleinwort Benson International Investment Limited has been registered with the Securities and Exchange Commission with the specific objective of handling United States owned funds destined for international investment.

20 Fenchurch Street, London EC3P 3DB

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Briefly

Admiralty Brothers announce that sales are ahead of last year but with the company unlikely to remain immune from recessionary forces. Chairman does not anticipate growth of sales this year will match that of last year.

Standard Chartered Bank: Shanghai branch of the Chartered Bank, company's subsidiary, has received approval from the Chinese government to accept foreign currency deposits in various currencies including Hong Kong dollars, sterling and US dollars, as one of only two foreign banks permitted to maintain an office in the people's republic of China.

Kumik Holdings: Turnover for half year to November 30, 1979, was £825,900 against £961,500 for similar 1978 period. Pretax profit was £42,700 (£44,900). The interim dividend is 0.298p gross (0.315p gross).

Executec Clothing: Turnover for 1979 was £1.7m against £1.2m in 1978. Pretax profit was £255,500 (£206,100). Earnings per share were 9.06p (9.88p). Final dividend is 1.68p gross making 2.64p gross (2.39p gross).

Jersey Electricity Co: Pretax revenue for 1979 was £1.4m against £1.3m for the previous year. Final dividend is 11.4p gross (same) making 17.1p gross (same).

Dares Estates: Weir do not do justice to Dares Estates in our article of April 18. The group indeed made pretax profits of £604,300 last year as reported, but extraordinary items totalling only £263,190 against profits from trading of £341,334. In 1978 extraordinary items were £125,237 against trading profits before tax of £223,226.

Land Investors: Pretax profit for half year to September 9, 1979, was £1.16m against £1.5m in same period of 1978. Interim dividend is 0.28p gross (same).

Loan for Romania: The Export Credits Guarantee Department has guaranteed a £5m line of credit which Lloyds Bank has made available to the Romanian Bank for foreign trade.

G. M. Callender: Turnover for 1979 was £8.32m against £6.37 in the previous year. Earnings per share were £6.13 (3.3p). Final dividend is 1.48p gross making 2.3p gross (1.88p gross).

London Intercontinental Trust: Board of Classification states that satisfactory answers to certain queries concerning LIT referred to in the announcement on April 4 have now been received and other documents will be dispatched to shareholders as soon as practicable.

General Electric Co: Group's offer for Aversy will close on May 5. GEC now holds over 95 per cent of Aversy and intends to acquire compulsorily the outstanding shares.

East Midlands Allied Press: Company has purchased Fairfield, which owns seven retail newsagent shops in the East Midlands area. Consolidated turnover for 1979 was £1.1m against £0.8m in 1978. Pretax profit was £110,000 (£80,000). The interim dividend is 0.28p gross (same).

W. Canning Group: In his annual review, chairman says that, overall, and despite problems in the short term, longer-term prospects are encouraging. In Belgium (the group's main foreign market) the loss-making brick plant at Hennuyeres is proceeding well. This will leave the roof tile plant in that town, which board hopes can achieve viability in due course and the small profitable brick plant near Dismant is also currently under discussion.

Bernard Wardle has declared a second interim dividend of 0.87p December 2 1979. This makes a total for the year of 1.53p and compares with a total dividend for 1978 of 1.41p.

Thomas Jourdan: "Despite the very difficult trading conditions which currently obtain throughout the world and particularly in the United Kingdom, we have made a better start in 1980 than we did a year ago. If this trend were to continue I would expect the first half of the year to show a happy increase in comparison with the same period in 1979." Mr Archie McNair—chairman of Thomas Jourdan, in his annual statement, says: "Which of our group's history we are more favourably placed than most of

CYCLICAL INDICATORS FOR THE UK ECONOMY

The following table is based on the CSO corporate indices of the business cycle in the United Kingdom published yesterday

Business cycle in the United Kingdom published yesterday				
	Longer leading (4 indicators)	Shorter leading (5 indicators)	Coincident (6 indicators)	Lagging (5 indicators)
1979				
March	107.1	107.3	102.7	93.1
April	107.7	110.9	106.4	93.5
May	110.0	113.7	108.9	94.0
June	107.4	110.9	106.5	94.6
July	104.9	107.9	103.4	94.6
Aug	103.3	103.5	99.1	95.1
Sept	103.1	102.4	98.2	94.5
Oct	102.5	102.8	98.9	93.9
Nov	103.5	101.9	99.9	93.4
Dec	93.1	101.5	100.3	92.9
1980				
Jan	98.6	100.3	99.3	90.8
Feb	97.9	100.3	98.8	88.8
March	97.4			87.4

Stock Exchange Prices

Gilts firm

ACCOUNT DAYS: Dealings Began, April 14, Dealings End, April 23, Contango Day, April 28, Settlement Day May 6
 5 Forward bargains are permitted on two previous days

LET THE GIN BE
HIGH & DRY!

Really Dry Gin



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BRITISH FUNDS				COMMONWEALTH AND FOREIGN				LOCAL AUTHORITIES				DOLLAR STOCKS				BANKS AND DISCOUNT				BREWERIES AND DISTILLERIES			
Stock	Price	Change	Div.	Stock	Price	Change	Div.	Stock	Price	Change	Div.	Stock	Price	Change	Div.	Stock	Price	Change	Div.	Stock	Price	Change	Div.
British India	100	0	0	Commonwealth	100	0	0	London & Westminster	100	0	0	Bank of England	100	0	0	Guinness	100	0	0	Adams & Smith	100	0	0
British Overseas	100	0	0	Foreign	100	0	0	City of London	100	0	0	Bank of America	100	0	0	Beck's	100	0	0	James Watson & Co.	100	0	0
British South Africa	100	0	0	Colonial	100	0	0	County of London	100	0	0	Bank of Canada	100	0	0	Carlsberg	100	0	0	Robertson & Co.	100	0	0
British East Africa	100	0	0	Indian	100	0	0	County of Middlesex	100	0	0	Bank of New York	100	0	0	Heineken	100	0	0	Wm. & A. R. Co.	100	0	0
British West Africa	100	0	0	Chinese	100	0	0	County of Surrey	100	0	0	Bank of France	100	0	0	Kaiser Brewery	100	0	0	Wm. & A. R. Co.	100	0	0
British Central Africa	100	0	0	Japanese	100	0	0	County of Kent	100	0	0	Bank of Spain	100	0	0	Lager Beer	100	0	0	Wm. & A. R. Co.	100	0	0
British South America	100	0	0	Argentine	100	0	0	County of Sussex	100	0	0	Bank of Italy	100	0	0	Carlsberg	100	0	0	Wm. & A. R. Co.	100	0	0
British North America	100	0	0	Peruvian	100	0	0	County of Devon	100	0	0	Bank of Portugal	100	0	0	Heineken	100	0	0	Wm. & A. R. Co.	100	0	0
British East Asia	100	0	0	Chilean	100	0	0	County of Cornwall	100	0	0	Bank of Greece	100	0	0	Kaiser Brewery	100	0	0	Wm. & A. R. Co.	100	0	0
British West Asia	100	0	0	Colombian	100	0	0	County of Dorset	100	0	0	Bank of Belgium	100	0	0	Lager Beer	100	0	0	Wm. & A. R. Co.	100	0	0
British Central Asia	100	0	0	Venezuelan	100	0	0	County of Devonshire	100	0	0	Bank of Russia	100	0	0	Carlsberg	100	0	0	Wm. & A. R. Co.	100	0	0
British South Asia	100	0	0	Ecuadorian	100	0	0	County of Gloucestershire	100	0	0	Bank of Argentina	100	0	0	Heineken	100	0	0	Wm. & A. R. Co.	100	0	0
British East Asia	100	0	0	Guatemalan	100	0	0	County of Herefordshire	100	0	0	Bank of Brazil	100	0	0	Kaiser Brewery	100	0	0	Wm. & A. R. Co.	100	0	0
British West Asia	100	0	0	Salvadoran	100	0	0	County of Wiltshire	100	0	0	Bank of Chile	100	0	0	Lager Beer	100	0	0	Wm. & A. R. Co.	100	0	0
British Central Asia	100	0	0	Costa Rican	100	0	0	County of Oxfordshire	100	0	0	Bank of Peru	100	0	0	Carlsberg	100	0	0	Wm. & A. R. Co.	100	0	0
British South Asia	100	0	0	Panamanian	100	0	0	County of Warwickshire	100	0	0	Bank of Bolivia	100	0	0	Heineken	100	0	0	Wm. & A. R. Co.	100	0	0
British East Asia	100	0	0	Honduran	100	0	0	County of Shropshire	100	0	0	Bank of Cuba	100	0	0	Kaiser Brewery	100	0	0	Wm. & A. R. Co.	100	0	0
British West Asia	100	0	0	Nicaraguan	100	0	0	County of Cheshire	100	0	0	Bank of Dominican Republic	100	0	0	Lager Beer	100	0	0	Wm. & A. R. Co.	100	0	0
British Central Asia	100	0	0	Cuban	100	0	0	County of Lancashire	100	0	0	Bank of Haiti	100	0	0	Carlsberg	100	0	0	Wm. & A. R. Co.	100	0	0
British South Asia	100	0	0	Dominican	100	0	0	County of Derbyshire	100	0	0	Bank of Santo Domingo	100	0	0	Heineken	100	0	0	Wm. & A. R. Co.	100	0	0
British East Asia	100	0	0	Haitian	100	0	0	County of Leicestershire	100	0	0	Bank of Santo Domingo	100	0	0	Kaiser Brewery	100	0	0	Wm. & A. R. Co.	100	0	0
British West Asia	100	0	0	San Juan	100	0	0	County of Northamptonshire	100	0	0	Bank of Santo Domingo	100	0	0	Lager Beer	100	0	0	Wm. & A. R. Co.	100	0	0
British Central Asia	100	0	0	Cardenas	100	0	0	County of Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Carlsberg	100	0	0	Wm. & A. R. Co.	100	0	0
British South Asia	100	0	0	Provincias Unidas	100	0	0	County of South Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Heineken	100	0	0	Wm. & A. R. Co.	100	0	0
British East Asia	100	0	0	Granma	100	0	0	County of East Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Kaiser Brewery	100	0	0	Wm. & A. R. Co.	100	0	0
British West Asia	100	0	0	Matanzas	100	0	0	County of North Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Lager Beer	100	0	0	Wm. & A. R. Co.	100	0	0
British Central Asia	100	0	0	San Juan	100	0	0	County of South Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Carlsberg	100	0	0	Wm. & A. R. Co.	100	0	0
British South Asia	100	0	0	Cardenas	100	0	0	County of East Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Heineken	100	0	0	Wm. & A. R. Co.	100	0	0
British East Asia	100	0	0	Provincias Unidas	100	0	0	County of North Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Kaiser Brewery	100	0	0	Wm. & A. R. Co.	100	0	0
British West Asia	100	0	0	Granma	100	0	0	County of South Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Lager Beer	100	0	0	Wm. & A. R. Co.	100	0	0
British Central Asia	100	0	0	Matanzas	100	0	0	County of East Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Carlsberg	100	0	0	Wm. & A. R. Co.	100	0	0
British South Asia	100	0	0	San Juan	100	0	0	County of North Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Heineken	100	0	0	Wm. & A. R. Co.	100	0	0
British East Asia	100	0	0	Cardenas	100	0	0	County of South Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Kaiser Brewery	100	0	0	Wm. & A. R. Co.	100	0	0
British West Asia	100	0	0	Provincias Unidas	100	0	0	County of East Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Lager Beer	100	0	0	Wm. & A. R. Co.	100	0	0
British Central Asia	100	0	0	Granma	100	0	0	County of North Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Carlsberg	100	0	0	Wm. & A. R. Co.	100	0	0
British South Asia	100	0	0	Matanzas	100	0	0	County of South Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Heineken	100	0	0	Wm. & A. R. Co.	100	0	0
British East Asia	100	0	0	San Juan	100	0	0	County of East Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Kaiser Brewery	100	0	0	Wm. & A. R. Co.	100	0	0
British West Asia	100	0	0	Cardenas	100	0	0	County of North Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Lager Beer	100	0	0	Wm. & A. R. Co.	100	0	0
British Central Asia	100	0	0	Provincias Unidas	100	0	0	County of South Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Carlsberg	100	0	0	Wm. & A. R. Co.	100	0	0
British South Asia	100	0	0	Granma	100	0	0	County of East Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Heineken	100	0	0	Wm. & A. R. Co.	100	0	0
British East Asia	100	0	0	Matanzas	100	0	0	County of North Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Kaiser Brewery	100	0	0	Wm. & A. R. Co.	100	0	0
British West Asia	100	0	0	San Juan	100	0	0	County of South Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Lager Beer	100	0	0	Wm. & A. R. Co.	100	0	0
British Central Asia	100	0	0	Cardenas	100	0	0	County of East Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Carlsberg	100	0	0	Wm. & A. R. Co.	100	0	0
British South Asia	100	0	0	Provincias Unidas	100	0	0	County of North Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Heineken	100	0	0	Wm. & A. R. Co.	100	0	0
British East Asia	100	0	0	Granma	100	0	0	County of South Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Kaiser Brewery	100	0	0	Wm. & A. R. Co.	100	0	0
British West Asia	100	0	0	Matanzas	100	0	0	County of East Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Lager Beer	100	0	0	Wm. & A. R. Co.	100	0	0
British Central Asia	100	0	0	San Juan	100	0	0	County of North Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Carlsberg	100	0	0	Wm. & A. R. Co.	100	0	0
British South Asia	100	0	0	Cardenas	100	0	0	County of South Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Heineken	100	0	0	Wm. & A. R. Co.	100	0	0
British East Asia	100	0	0	Provincias Unidas	100	0	0	County of East Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Kaiser Brewery	100	0	0	Wm. & A. R. Co.	100	0	0
British West Asia	100	0	0	Granma	100	0	0	County of North Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Lager Beer	100	0	0	Wm. & A. R. Co.	100	0	0
British Central Asia	100	0	0	Matanzas	100	0	0	County of South Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Carlsberg	100	0	0	Wm. & A. R. Co.	100	0	0
British South Asia	100	0	0	San Juan	100	0	0	County of East Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Heineken	100	0	0	Wm. & A. R. Co.	100	0	0
British East Asia	100	0	0	Cardenas	100	0	0	County of North Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Kaiser Brewery	100	0	0	Wm. & A. R. Co.	100	0	0
British West Asia	100	0	0	Provincias Unidas	100	0	0	County of South Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Lager Beer	100	0	0	Wm. & A. R. Co.	100	0	0
British Central Asia	100	0	0	Granma	100	0	0	County of East Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Carlsberg	100	0	0	Wm. & A. R. Co.	100	0	0
British South Asia	100	0	0	Matanzas	100	0	0	County of North Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Heineken	100	0	0	Wm. & A. R. Co.	100	0	0
British East Asia	100	0	0	San Juan	100	0	0	County of South Lincolnshire	100	0	0	Bank of Santo Domingo	100	0	0	Kaiser Brewery	100	0	0	Wm. & A. R. Co.	100	0	0
British West Asia	100	0	0	Cardenas	100	0	0	County of East Lincolnshire	100														

